EXECUTIVE SESSION

Mr. KNOWLAND. Mr. President, I move that the Senate proceed to the consideration of executive business, for action on nominations on the calendar under the heading "New Reports."

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGE REFERRED

The PRESIDING OFFICER (Mr. PAYNE in the chair) laid before the Senate a message from the President of the United States submitting the nomination of Robert Bernerd Anderson, of Texas, to be Deputy Secretary of Defense, vice Roger M. Kyes, which was referred to the Committee on Armed Services.

The PRESIDING OFFICER. If there be no reports of committees, the clerk will proceed to state the nominations on the Executive Calendar.

TAX COURT OF THE UNITED STATES

The legislative clerk read the nomination of Arnold R. Baar to be judge of the Tax Court of the United States.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

UNITED STATES ATTORNEYS

The legislative clerk read the nomination of Madison B. Graves to be United States attorney for the district of Nevada.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of Fred Elledge, Jr., to be United States attorney for the middle district of Tennessee.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

UNITED STATES MARSHAL

The legislative clerk read the nomination of Cedric E. Stewart to be United States marshal for the district of Nevada.

The PRESIDING OFFICER. Without objection, the nomination is confirmed; and without objection, the President will be notified of all nominations confirmed today.

LEGISLATIVE SESSION

Mr. KNOWLAND. Mr. President, I move the Senate resume the consideration of legislative business.

The motion was agreed to.

STATEHOOD FOR HAWAII

The Senate resumed the consideration of the bill (S. 49) to enable the people of Hawaii to form a constitution and State government and to be admitted into the Union on an equal footing with the original States.

Mr. KNOWLAND. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. KNOWLAND. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KNOWLAND. Mr. President, I send to the desk a proposed unanimous-consent agreement, which I ask to have read for the information of the Senate.

The PRESIDING OFFICER. The proposed agreement will be read.

The legislative clerk read as follows:

UNANIMOUS-CONSENT AGREEMENT

Ordered, That on the calendar day of Thursday, March 11, 1954, at the hour of 4 o'clock p. m., the Senate proceed to vote, without further debate, upon the amendment proposed to Senate bill 49, the Hawaiian statehood bill, by Mr. ANDERSON, providing for the admission of Alaska into the Union.

Ordered further, That the Senate shall convene at 11 o'clock a. m. on said day, and that the time between said hour and the hour of 4 o'clock shall be equally divided, and controlled by Mr. ANDERSON, on behalf of the amendment, and by Mr. CORDON, in opposition thereto.

The PRESIDING OFFICER. Is there objection to the proposed agreement?

Mr. FREAR. Mr. President, reserving the right to object, if the hour set is 3 o'clock, instead of 4 o'clock, I shall have no objection. [Laughter.]

However, Mr. President, I withdraw the objection.

Mr. ELLENDER. Mr. President, reserving the right to object, let me inquire when the Senator from California intends to have the Senate take up the wool bill.

Mr. KNOWLAND. If the proposed agreement is entered, I believe the Senate will not take up the wool bill tomorrow. I hope there will be debate tomorrow on the Hawaiian statehood bill.

Mr. ELLENDER. Can we be assured that if the proposed agreement is entered the wool bill will not be taken up until after the vote is had on the Anderson amendment?

Mr. KNOWLAND. Yes, Senators may have that assurance. If debate on the Hawaiian statehood bill ends on tomorrow, I should like to be free to have the Senate take up some other bills, concerning which I shall consult the minority leader, but I shall not seek to call up the wool bill until after the vote is taken on the amendment of the Senator from New Mexico.

The PRESIDING OFFICER. Is there objection to the proposed unanimous-consent agreement?

The Chair hears none, and it is so ordered.

RECESS

Mr. KNOWLAND. I move that the Senate stand in recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 5 o'clock and 23 minutes p. m.) the Senate took a recess until tomorrow, Wednesday, March 10, 1954, at 12 o'clock meridian.

NOMINATION

Executive nomination received by the Senate March 9 (legislative day of March 1), 1954:

DEPARTMENT OF DEFENSE

Robert Bernerd Anderson, of Texas, to be Deputy Secretary of Defense.

CONFIRMATIONS

Executive nominations confirmed by the Senate March 9 (legislative day of March 1), 1954:

TAX COURT OF THE UNITED STATES

Arnold R. Baar, of Illinois, to be a judge of the Tax Court of the United States for the unexpired term of 12 years from June 2, 1948.

UNITED STATES ATTORNEYS

Madison B. Graves, of Nevada, to be United States attorney for the district of Nevada.

Fred Elledge, Jr., of Tennessee, to be United States attorney for the middle district of Tennessee.

UNITED STATES MARSHAL

Cedric E. Stewart to be United States marshal for the district of Nevada.

HOUSE OF REPRESENTATIVES

TUESDAY, MARCH 9, 1954

The House met at 11 o'clock a. m.

The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

God of infinite grace, at this morning hour, we are again seeking in the fellowship of prayer those blessings of wisdom and strength which we need for the duties and tasks of this day.

We rejoice that Thy fatherly heart and hand always open with love in response to those who humbly implore Thy divine guidance in the struggles and adventure of life.

May we lay hold of Thy promises and overtures of friendship with joy and confidence as we strive to build a world in which the troubled heart of humanity shall find peace.

Wilt Thou continue to grant recovery of health to our wounded colleagues. May we never lose hope for Thou canst lead us out of darkness into light and lift us out of death into life eternal.

In Christ's name we pray. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Carrell, one of its clerks, announced that the Senate had passed, with an amendment in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 5337. An act to provide for the establishment of a United States Air Force Academy, and for other purposes.

REVISION OF REVENUE LAWS OF THE UNITED STATES

Mr. REED of New York. Mr. Speaker, I ask unanimous consent that the Com-

mittee on Ways and Means may have until midnight tonight to file its report on a bill to revise the revenue laws of the United States, and that the minority members may be permitted to file minority views, the minority views to accompany the majority report.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

SPECIAL ORDERS GRANTED

Mr. JAVITS asked and was given permission to address the House for 5 minutes today, following any special orders heretofore entered.

Mr. O'HARA of Illinois asked and was given permission to address the House for 1 hour on April 13, the occasion of the birth anniversary of the first President of the United States in Congress assembled.

COMMITTEE ON PUBLIC WORKS

Mr. DONDERO. Mr. Speaker, I ask unanimous consent that the Subcommittee on Rivers and Harbors of the Committee on Public Works of the House may have permission to sit during general debate today.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

MEDICAL FACILITIES SURVEY AND CONSTRUCTION ACT OF 1954

Mr. BROWN of Ohio. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 461 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 8149) to amend the hospital survey and construction provisions of the Public Health Service Act to provide assistance to the States for surveying the need for diagnostic or treatment centers, for hospitals for the chronically ill and impaired, for rehabilitation facilities, and for nursing homes, and to provide assistance in the construction of such facilities through grants to public and nonprofit agencies, and for other purposes. After general debate, which shall be confined to the bill, and shall continue not to exceed 3 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Interstate and Foreign Commerce, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. BROWN of Ohio. Mr. Speaker, I yield 30 minutes to the gentleman from Texas [Mr. LYLE], and at this time yield 5 minutes to the gentleman from Oregon [Mr. ELLSWORTH].

Mr. ELLSWORTH. Mr. Speaker, this resolution makes in order consideration of a bill known as a bill to amend the hospital survey and construction provisions of the Public Health Service Act to provide assistance to the States for surveying the need for diagnostic or treatment centers, for hospitals for the chronically ill and impaired, for rehabilitation facilities, and for nursing homes, and to provide assistance in the construction of such facilities through grants to public and nonprofit agencies.

Mr. Speaker, the bill is in effect an extension of the various provisions of the legislation known as the Hill-Burton Act which provides grants for hospital construction. We all know, I am sure, that the Hill-Burton Hospital Construction Act has been the basis for the construction of well over 1,000 nonprofit hospitals in this country. It is, in my opinion, quite evident that this badly needed hospital construction probably never could have been accomplished, and certainly would not have been accomplished so rapidly, had it not been for enactment of the Hill-Burton Act and the participation in these local projects by the Federal Government. Such participation carries with it no supervision and no control. The construction is merely done with the aid of the Federal Government. The communities run their own hospitals.

This bill which will be before us if the pending resolution is adopted merely extends the principles of the Hill-Burton Act to the construction of certain other types of medical-care hospitals. The rule should be adopted and the legislation itself should prevail.

Mr. Speaker, I yield 3 minutes to the gentleman from Illinois [Mr. SPRINGER].

Mr. SPRINGER. Mr. Speaker, I believe the rule should be adopted and H. R. 8149 should be heard.

All of the Members of this House have been cognizant of progress that has been made under the hospital survey and construction program since the inauguration of the Hill-Burton Act. This bill will amend and expand that entire program.

Whereas funds under the Hill-Burton Act have largely been devoted to the construction of general hospitals, this bill will provide a major emphasis upon a program to meet special needs. These needs will cover four major categories: First, diagnostic or treatment centers; second, hospitals for the chronically ill; third, rehabilitation centers, and, fourth, nursing homes.

It will be recalled that title VI does not authorize the construction of diagnostic or treatment centers, or rehabilitation facilities separate and apart from hospitals. In addition, nursing homes are not covered by the present program at all. This program will go a long way toward providing the health services for ambulatory patients and for those who are chronically ill. Many of the beds now being used in general hospitals for these patients would be relieved for the use of general hospital patients.

The real surprise to the Interstate and Foreign Commerce Committee was testimony by the Department of Health, Welfare, and Education that only 12 percent of the national need is met for beds in chronic disease hospitals. This means that 88 percent of the patients in these categories do not have proper facilities for their treatment and care. Chronic disease hospitals are more economical to build and maintain than are general operating hospitals. This lower cost of construction and maintenance would reduce the financial burden of the chronically ill patients who are usually confined for considerable periods of time. There is hardly a community in the United States that has not undergone a tremendous increase in its population above 65 years of age. Although the national population has only doubled in the last 50 years, the number reaching 65 years of age has almost quadrupled. In addition, those above 65 years of age require almost twice as much hospital care each year as do persons under 65 years of age.

I would like to emphasize that the present authorization for an appropriation on this bill will help the States to survey the facilities they have on hand and assist the States in getting State plans under way. All of us, I am sure, recognize the importance of making a preliminary survey and planning, as was done under the title VI of the Public Health Service Act. This assures that the expenditures authorized will be made in an economical and orderly manner in order that we may have the best use of the funds.

This bill is one which is necessary to progressively meet the problem of particular groups of people in this country who need special care and treatment. It is both complementary and supplementary to legislation previously enacted by this Congress.

Mr. Speaker, I trust the rule will be adopted and H. R. 8149 will be approved by this body.

Mr. LYLE. Mr. Speaker, the bill which this resolution makes in order, H. R. 8149, has great personal and political appeal for it deals with the care of the sick and the aged, a problem close to the hearts of all of us. Notwithstanding this appeal, however, we must be conscious that consideration of this measure at this time raises fundamental questions. I believe it my duty to the House to discuss some of the principles involved and to suggest that the best procedure would dictate a consideration of this bill at a later date.

The chairman of the Committee on Interstate and Foreign Commerce, a fine and able gentleman from New Jersey [Mr. WOLVERTON], and the able members of his committee may well be proud of the high praise that is due them for their laborious work, for the sincere and honest investigation they have made into the health needs of the Nation. Unquestionably, their enthusiastic endeavor will stimulate great interest in the problems of health of our people throughout the Nation as it rightfully should. They have performed a good work.

Nevertheless, Congress itself cannot or should not overlook the principles involved in this measure. What is the Federal Government's rightful place in

providing facilities within the various States and local subdivisions not having to do with strictly governmental operations? It is not an easy question to answer. Perhaps it is not possible to define the scope of our proper place. The answer must come after extensive and exhaustive research, discussion, and consideration. I believe that the history of our Government will show that heretofore many of us have expressed personal ideas and that political parties have expressed general ideas, but that we have tried to formulate no policy by which we could judge our actions and our proposed actions. Last year at the suggestion of the President of the United States, and with the leadership of the distinguished majority leader, Mr. HALLECK, of Indiana, the Congress authorized a commission called the Commission on Intergovernmental Relations, to make extensive studies and to report to the President and the Congress its findings. If we have forgotten why the Commission was established in the first place, may I recall the purpose to your minds by reading from the report submitted by the Senate Committee on Governmental Operations last spring:

SECTION 1. Because any existing confusion and wasteful duplication of functions and administration pose a threat to the objectives of programs of the Federal Government shared in by the States, including their political subdivisions, because the activity of the Federal Government has been extended into many fields which, under our constitutional system, may be the primary interest and obligation of the several States and the subdivisions thereof, and because of the resulting complexity to intergovernmental relations, it is necessary to study the proper role of the Federal Government in relation to the States and their political subdivisions, with respect to such fields, to the end that these relations may be clearly defined and the functions concerned may be allocated to their proper jurisdiction. It is further necessary that intergovernmental fiscal relations be so adjusted that each level of government discharges the functions which belong within its jurisdiction in a sound and effective manner.

You will recall also that when the President appointed this distinguished Commission, including several of the able Members of this body, he stated:

Completion today of membership of the Commission on Intergovernmental Relations marks the commencement of an historic undertaking: the elimination of frictions, duplications, and waste from Federal-State relations; the clear definition of lines of governmental authority in our Nation; the increase in efficiency in a multitude of governmental programs vital to the welfare of all Americans.

I greeted the suggestion of the President and the distinguished majority leader with enthusiasm. I was convinced that it was a sensible proposal and I was impressed by the need of a studied criteria by which the Congress could determine services the Federal Government might properly be able to render to the States and local subdivisions. The Congress appropriated $500,000 for the Commission's use and last week we reaffirmed our faith in the Commission and extended its life until March 1955. To date, no report has been filed by the Commission. It is assumed that they have not had sufficient time to make such reports. That is, I assume so. Consideration of this measure at this time, I fear, assumes that the reports will be of no consequence and will be given no consideration.

Mr. Speaker, do we not appear hasty if not ridiculous at this time to pass a measure or even to consider a measure which places the Federal Government in an entirely new field of endeavor—a field heretofore thought to be the sole province of the States and local subdivisions without benefit of advice and help that we said last year and again this year we needed? Do we not admit that we are not serious about the Commission and that it was purely a gesture and that we didn't intend to pay any attention to it in the first place? If so, it was an expensive gesture and will probably cost the people more than a million dollars—a gesture that will consume the minds and time of distinguished Americans in and out of Government. There is no logical explanation for the situation in which we find ourselves today. There is no need for hurry; there is no reason why we cannot properly wait for a report of our Commission, the one we brought into life, the one we are supporting, the one we acclaim. If we consider this measure today we are in effect saying to the distinguished people serving on this Commission: "Proceed; spend the hundreds of thousands of dollars that we have appropriated for your use; investigate all you please; file all the reports you wish; we didn't want your advice in the first place. We were only bluffing."

I do not want to be found in this position. I want information and advice. I am conscious of the tremendous growth and expansion of Federal participation in State problems and I am willing to wait a few weeks or months until we may have the benefit of our Commission's advice.

Another fundamental problem arises if we consider this measure at this time. Tomorrow and next week we have scheduled for consideration, and we are told certain passage, two revenue measures from the Committee on Ways and Means. These measures propose to take away several billion dollars from the present income of the Federal Government. I believe it proper to reduce taxes at this time, for the American people have carried a tremendous burden for the past few years—a burden of taxation which must be charged to the war. We cannot, however, sensibly extend the functions of the Federal Government and its expenditures into new and unexplored fields and at the same time take away revenues from the Government—that is, we cannot do so with good sense and good judgment. The Government is operating today, that is the Federal Government, in the red. We are already spending more than we are taking in and at best, guesses are that the budget will not be balanced for several years. Our Federal debt has reached its legal limit, or practically so. Simple arithmetic should compel all of us to forego either additional expenditures or reduction of taxes. There is only one place that the Government may get money to spend and that is by taxing the people. If the proposed program is carried out effectively, its cost may well run into billions. Unquestionably, it will open up new fields of Federal activity and new obligations for Federal spending.

Mr. Speaker, so that the House may have a summary of Federal aid programs, for 1953, as well as a short history of Federal aid, I ask unanimous consent that it may be printed at the conclusion of my remarks in the RECORD.

The SPEAKER. Is there any objection to the request of the gentleman from Texas?

There was no objection.

Mr. DOLLIVER. Mr. Speaker, will the gentleman yield?

Mr. LYLE. I yield to the gentleman from Iowa.

Mr. DOLLIVER. The gentleman has referred, I believe, to the Commission on Intergovernmental Relations.

Mr. LYLE. Yes.

Mr. DOLLIVER. The subject to which the gentleman alluded a moment ago has been the subject of discussion in the Commission, and that Commission has recognized, I believe not formally but informally, that this function is not a legislative function but is an investigatory and reporting function.

Mr. LYLE. I look forward to a report from the Commission. I am pleased that my distinguished friend from Iowa is a member of the Commission. We came to the Congress together and I have developed a great admiration and respect for him. I know that his contribution to the Commission will be considerable. It is because of the stature of the Commission that I look forward to its report.

Mr. Speaker, if this bill is but a gesture, then it is a cruel gesture, for it might very well stimulate hopes that are unfounded. The amount of money authorized although considerable, is by no means adequate to provide facilities throughout the Nation. If it is intended to be a WPA-type project, then it should be designated as such, for I am sure that the Congress would want to have more information concerning the present economic situation before it would authorize Federal spending to stimulate the economy. I am surprised at the haste with which the Republicans are pushing through measures heretofore thought to be purely democratic policies. It was suggested to me, in jest I am sure, recently, that the Republican Party was in the position of being "secondhand dealers" this year, that is, that they were selling used legislation heretofore handled by the so-called Fair and New Deal. Unquestionably, legislation previously handled by a Democratic Congress and recommended by a Democratic President in large measure met with great public approval, but I am not able to understand the basic arithmetic of the present administration which seems to be trying to outdo the Democratic Party in the enactment and reenactment of legislation which will cost billions and at the same time advocate drastic reductions in the Government's revenues. News reports indicate that the President is not in favor of the tax bill which we will pass tomorrow, but he has decided

to permit it to pass the House and to try to change it in the other body. Other press reports of even date quote the distinguished majority leader, Mr. HALLECK, as saying that it is part of the President's program. Of course, you and I realize how hard it is to have a program that shows any resemblance to promises made in the heat of a political campaign, particularly when those promises lead people to believe that the Republican Party they elected would institute an entirely new program. So we will not attempt to hold the Republican administration to political promises. We do have a duty, however, to insist that new programs costing hundreds of millions of dollars be held in abeyance until proper financing is in sight.

There are thousands of projects and hundreds of ways in which we may spend the funds of the Federal Government that would bring benefit and joy to the American people. Most of them, though, are not rightful and proper functions of our Federal Government, nor do we have the billions of dollars available for expenditure, and the only way we can get them is to tax the people. We cannot cut taxes and increase Federal spending at one and the same time; that is, we cannot do so with good conscience, good sense, and good judgment. This bill comes before us at an inopportune time. If this program had been proposed during the administration of either Mr. Roosevelt or Mr. Truman there would have been loud and anguished cries from all sides of "socialized medicine" and "creeping socialism." Actually, I think the cries would have been "galloping socialism." We cannot inaugurate this program without subjecting the Federal Government to the pleas for aid in many other fields in which the State and local governments are deficient. Shall we help build institutions for the insane? Have we fully discharged our responsibilities to the veterans? Rarely a day passes but that someone calls me about a veteran who has lost his sense of reason and is necessarily incarcerated in a jail because the veterans hospitals have no bed available. Mr. Speaker, if we seek ways to spend money, there are thousands of appealing projects. This bill makes good political sense, but it does not make for good government. Its present consideration violates fundamental principles.

Mr. Speaker, I reserve the balance of my time.

A SUMMARY HISTORY OF FEDERAL AID

(Prepared by the staff of the Commission on Intergovernmental Relations)

SUMMARY

1. Federal spending for the purpose of aiding States and localities is divided into three categories: Grant-in-aid, shared revenues, and loans and repayable advances. Spending for the latter two is minor in comparison with grant-in-aid spending. Eighty-two percent of the total grant-in-aid expenditure is devoted to six programs.

2. The history of Federal aid falls into three periods on the basis of the dominant object of Federal expenditure. During the first period—from 1785 to World War I—education and agriculture were dominant; from World War I to the depression—highway construction; from the depression to the present day—welfare.

3. The modern grant-in-aid system developed in the late 19th and the early 20th century. Grants-in-aid evolved from land grants to cash grants, from "single shot" to annual payments. Federal control was increased, and financial participation by the States through matching formulae emerged.

4. Federal-aid spending increased substantially during three periods in the present century: The period of the First World War, the depression, and the postwar years since 1946. Only during World War II was there any substantial reversal of the general trend toward rising expenditures for Federal aid.

In the pages which follow, the concept of Federal aid to States and localities employed by the Bureau of the Budget has been adopted. The Bureau regards as Federal aid any outlays by the National Government made to the States or localities on programs which are administered by these units, as well as outlays made on programs in which the cost is shared by Federal and State or local governments. Outlays include either a donation or a loan of money, or a donation of goods, but exclude the rendering of services. Some programs in which the National Government makes payments to State agencies and to private organizations on the same terms are included, such as the hospital survey and construction program and the school-lunch program, in both of which administration of Federal aid rests generally with State authorities. Other programs involving payments to State agencies are excluded on the ground that the Federal payment constitutes compensation for services rendered to the National Government.

Among payments excluded for this reason are grants for research to State agencies, payments for housing Federal prisoners, and payments for the schooling of veterans of World War II and the Korean conflict.

The Bureau of the Budget divides Federal aid into three categories: Grants-in-aid, shared revenues, and loans and repayable advances. Of the three, grants-in-aid in 1952 absorbed $2,392,957,000; shared revenue, $38,104,000, and net loans and repayable advances, $172,659,000. (The Bureau of the Budget regards as aid only the excess of loans over repayments in any given year. Gross loans for 1952 totaled $664,563,000.)

Major grant-in-aid items: The following six programs represented 82 percent of the total national expenditure classified as grant-in-aid spending in 1952:

	Percent
Public assistance	45
Highways	17
Unemployment compensation	8
Hospital construction	5
School construction and operation in defense-affected areas	4
School lunch program	3

Major shared revenues: Under only three of the programs classified as shared revenues did the National Government make payments in excess of $1 million to States and localities in 1952: The Mineral Leasing Act, the national forests fund, the land-grant fund payments to the counties of California and Oregon.

Loans and repayable advances: $622 million of the $664 million of gross loans and advances in 1952 were made under the United States Housing Act. The second largest item in the classification of loans was $25 million expended by the civil defense agency procurement fund.

FEDERAL AID TO STATES DOWN TO THE PERIOD OF WORLD WAR I

Although the modern system of Federal aid to the States did not evolve fully until the period of the First World War, national assistance to the States goes back to the years when our Federal system rested upon the shaky foundation of the Articles of Confederation. In 1785 the Congress laid down the policy of granting federally owned land to each State admitted to the Union for the purpose of establishing and maintaining an educational system. Throughout the 19th century this policy constituted the most enduring feature of the spasmodic program of Federal aid. From the time of the admission of Ohio in 1802, each new State received its grant of the public domain for the support of its school system.

Education was not the only State activity which benefited from Federal assistance in our early history. As the 19th century wore on, grants were made for internal improvements—for the construction of means of communication, such as canals, wagon roads, and, later, railroads, and for flood control and reclamation.

On occasion the Federal Government made cash grants to the States. The largest such grant was carried out under the Surplus Distribution Act of 1836 in a transaction which transferred $28 million from National to State treasuries. Ostensibly, these transfers were loans, but, even at the time of the distribution, there was no expectation that the loans would ever be repaid. Beginning in 1808 the Congress made a small appropriation for the purpose of arming and equipping the militia of the several States.

An indirect but highly important form of Federal aid at the very beginning of our national history, was the assumption by the Federal Government of the debts contracted by the States as a consequence of the prosecution of the Revolutionary War. The National Government took upon itself liability for more than $18 million of existing State debt, thereby swelling its total indebtedness to $75 million. The burden that this debt assumption entailed can be gaged by the fact that annual Federal revenues at the time were approximately $4½ million. The State debt which was transferred, then, was four times the annual income of the National Government.

Beginnings of the modern grant-in-aid

The Morrill Act of 1862 foreshadowed the modern grant-in-aid system. By its terms, each State received 30,000 acres of the public domain for each Senator and Representative which it sent to Congress—an endowment to be used for the support of the State's college of agricultural and mechanical arts. Unlike earlier examples of national financial aid to States, this legislation laid down several controls relating to the use to be made of the gift. The law provided that only the interest derived from funds realized through the sale of the land might be spent. It required the submission of annual reports by the States to appropriate Federal officers regarding the use of the funds and the progress of the educational institutions supported by these funds. The law further stipulated that money realized through these grants could not be spent for buildings, thereby assuring complementary expenditure by the States in order to provide the needed structures.

Down to the close of the 19th-century grants of the public domain to the States constituted the usual form of Federal aid. In all, the National Government conferred upon the States approximately 15 percent of its total land holdings. Any precise calculation of the financial value of these grants is impossible. Although the data are somewhat incomplete, it is clear that the lion's share of Federal aid through the 19th century was devoted to the field of education. Of 230 million acres of public land granted to the States by the National Government, over 130 million were earmarked for the support of common schools in the States which received the donations.

The policy of making annual cash payments to States, rather than lump-sum grants of land, begun with the Hatch Act of 1887 extending aid for agricultural experiment stations, was firmly established in 1890 with the passage of the second Morrill Act.

By this law, Congress began to make available an annual payment to the States for instructional purposes in the land-grant colleges. This act tightened Federal control over State activity to some degree by specifically authorizing Federal officials to withhold the payments it authorized when State authorities failed to make proper use of the Federal funds.

The Morrill Act may be regarded as aid for agriculture as well as for education. To qualify for the Federal donation offered by this law, a State was required to maintain a college pursuing as its "leading objects * * * such branches of learning as are related to agriculture and the mechanic arts." In a sense the act inaugurated a period of Federal aid in which agriculture became the dominant object. It was followed by the Hatch Act of 1887 providing Federal funds for the establishment of agricultural experiment stations in connection with State agricultural colleges. A further major step in the history of Federal aid came with the passage of the Smith-Lever Act in 1914 under which the National Government began to share the cost of the far-flung program of agricultural extension work.

Further development of the grant-in-aid

On the eve of World War I the characteristics of the modern grant-in-aid system emerged clearly in two pieces of legislation: one, the Weeks Act of 1911, offering Federal assistance to States for the purpose of fire protection of certain forested areas, was relatively unimportant because of the restricted scope and small expenditure involved. It contained, however, requirements that later became standard features of grant-in-aid legislation, providing for a matching of Federal dollars with dollars from State treasuries and requiring Federal approval of State projects to which Federal funds would be devoted. The Smith-Lever Act contains provisions analogous to those of the Weeks Act and established, in addition, a formula based on rural population by which Federal funds were to be allotted to the individual States. Although later years were to bring some refinement of techniques in the grant-in-aid programs, the essential elements of the present-day system are found in these two laws.

In summary, down to the time of the First World War, the program of Federal aid developed in many respects. Land grants were replaced by cash grants. Continuing programs of Federal assistance tended to replace the "single shot" type of Federal aid that prevailed before the enactment of the Hatch Act in 1887. Federal control over the use of Federal funds was tightened, first by more definite specification of the object for which the funds were to be spent and later by a measure of Federal surveillance of State projects supported by the grants. The financing of federally aided projects became a cooperative enterprise after the National Government began to require that the States match its contributions with appropriations from their own revenues. Finally, formulae were developed, generally related to population, by which a State's relative part of the Federal funds was determined.

The whole period from 1785 to World War I can be lumped together as a single era in the history of Federal aid to States because the dominant objects of Federal assistance remained the same: education and agriculture.

FEDERAL AID BETWEEN WORLD WAR I AND THE DEPRESSION

The enactment of the Federal Aid Road Act in 1916 signaled the beginning of a new era in the history of Federal assistance to States. From this time on, the volume of assistance granted for highway construction far exceeded that extended for other purposes. Further, with this legislation (particularly with the amendments made to it in 1921), the Federal Government began to apply more careful and thorough-going scrutiny to the projects on which grant-in-aid funds were applied. One author has written, "The highway grants were, indeed, the first sort of Federal aid to be thoroughly supervised and administered. Advance examination of projects, detailed progress reports, audit of expenditures, careful examination of the finished work to ensure that plans had been followed and that there was proper maintenance—all the techniques of good administration were utilized." (James A. Maxwell, The Fiscal Impact of Federalism in the United States, p. 187.)

Every year between 1916 and 1921 except one brought the adoption of legislation extending Federal aid to new fields of activity. In 1917, the Smith-Hughes Act provided assistance to States in paying the salaries of teachers of vocational education; 1918 brought aid for programs to combat venereal disease; 1920, for the rehabilitation of persons injured in industrial accidents; and 1921, for maternal and child health.

In general, the decade of the 1920's saw a stabilization of the grant-in-aid system. After 1921 no new programs of importance were introduced. The established aid programs, other than highways, showed only minor variations in the amount of assistance appropriated. During the latter half of the decade, expenditures on grants-in-aid diminished moderately, from $113 million in 1925 to $109 million in 1929. This decrease resulted from a curtailment of aid for highways and public health. Although grants to alleviate the chronic troubles of the farmer were augmented during these years, this increase was more than offset by the reduction in expenditure for highways, venereal disease control, and maternal and child health.

Depression first made its imprint on the grant-in-aid program in the fiscal year of 1931 when the total volume of Federal aid increased greatly in relation to any previous level. The fiscal year of 1931 registered a 50-percent increase in Federal-aid spending over the level of 1930, attributable almost exclusively to more generous grants for highways. In order that the highway construction program made possible by higher Federal appropriations might not be jeopardized by the matching requirement, the National Government authorized loans of approximately $200 million (chiefly from the funds of the Reconstruction Finance Corporation) to the States for the purpose of matching the Federal grants. These loans, never repaid, were the harbinger of the relaxation of the matching requirement and the assumption by the Federal Government of a greater share of financial responsibility in its aid program than had been its habit in more prosperous times.

FEDERAL AID FROM THE DEPRESSION TO DATE

The past 20 years constitute one epoch in the history of Federal aid inasmuch as during these years welfare expenditures have consistently comprised the major object of the Federal aid programs.

Grants for welfare, health, and security—almost nonexistent until the period of World War I—remained below $2 million annually throughout the 1920's. In fiscal 1931 an abrupt increase in welfare grants appeared. Those for 1931 were treble those of 1930; those of 1932 in turn trebled those of 1931. Such advances are minor, however, in comparison with the increases that were to follow. Fiscal 1934 brought Federal grants for welfare, health, and security 30 times greater than those of the preceding year. At the threshold of this 20-year era from 1933, the National Government expended $63 million in grants of this type; by 1952 such grants aggregated $1½ billion after receding from their high point of $2½ billion in 1939.

Although constituting one period from the point of view of the dominant object of Federal aid, the past 20 years can be subdivided if the grant program is considered from other points of view. In order to put in relief some of the important changes witnessed during this span of years, we can divide the period into three parts: (1) The depression years, 1933 to 1941; (2) the war years, 1941 to 1946; (3) the postwar years, 1946 to the present.

The depression years, 1933 to 1941

The principal concern of the Federal Government in the formulation of its aid program during this time was providing relief for the distress resulting from economic depression. The National Government provided funds on a scale heretofore unparalleled to furnish both work relief and direct relief to the unemployed. Throughout this period the proportion of Federal expenditure devoted to grants to State and local governments exceeded by far the proportion attained in any earlier period of our history. Each year between 1933 and 1939, over 10 percent of the funds spent by the National Government were employed on grants-in-aid programs. In 1935 better than one-third of the total Federal expenditure was allotted to such programs.

A new type of grant-in-aid system sprang into existence during the depression. Temporary laws were enacted authorizing the expenditure of vast sums to provide relief through, or in conjunction with, State and local governments on terms that permitted great administrative flexibility. Matching requirements became vaguer and more often left for determination to the discretion of the Federal administrative agency concerned. Under these laws the National Government often made grants directly to cities and other subdivisions of the States without any participation by State agencies in the bargain.

During the early part of this period the grant-in-aid programs established prior to the depression almost disappeared in the flurry of the temporary and emergency programs that were hastily improvised. Between 1933 and 1937 Federal expenditure for emergency grant programs was well in excess of that for the permanent programs. In 1933, 72 percent of Federal grant-in-aid spending was accomplished under the laws providing for emergency grants; in 1935 this percentage rose to 98 percent.

In 1935, however, the most significant piece of legislation in the whole field of Federal aid was passed—the Social Security Act. It defined the field of responsibility which the National Government henceforth was to assume in the work of alleviating distress by means of financial assistance to State governments. In all of its coverages, except the old age and survivors' insurance program, the Social Security Act relies on the grant-in-aid device, matching Federal money with State appropriations and prescribing Federal control and supervision of State-administered programs.

In terms of volume of expenditure, the public assistance feature of the Social Security Act far outweighs its other programs. In the category of public assistance the law provided originally for old-age assistance, aid to the blind, and aid to dependent children; by amendments tacked on to the law in 1950 a fourth type of public assistance was added—aid to the permanently and totally disabled. The Social Security Act further established programs for assistance for crippled children, for child welfare, and laid the basis for the cooperative Federal-State undertaking in the field of unemployment compensation.

Down to the outbreak of World War II, no important additions to the program of Federal aid were made. By piecemeal legislation, however, the Federal Government began to provide more substantial assistance for a number of the preexisting programs, notably vocational rehabilitation, forest-fire

protection and reforestation, and vocational education.

The war years, 1941 to 1946

The most significant development during this time was the tapering off of Federal expenditure under grant-in-aid programs. The total expenditure, which reached its high-water mark of $2,900,000,000 in 1939, ebbed away to $2,400,000,000 in 1940, $2,100,000,000 in 1941, and finally down to $900 million in 1946—its lowest point since 1933.

In major part, this reduction must be attributed to the frantic level of economic activity engendered by the war. To some small degree the reduction was the result of the assumption by the Federal Government of sole responsibility for functions discharged in cooperation with the States under peacetime conditions.

The exigencies of war called for the establishment of certain new temporary-grant programs, chiefly for the purpose of assuring an adequate supply of labor ready to take up a job when it was needed and where it was needed. With this objective, the Federal Government offered aid for the construction of war housing and for the training of industrial workers, and for the transportation of agricultural labor to areas in which it was needed. The highway program took on a new aspect as Federal spending for this purpose was governed almost exclusively by requirements of national defense.

The postwar years, 1946 to the present

A steep climb has taken place in the volume of Federal grants since the end of World War II. From $900 million in 1946, Federal spending under the grant-in-aid program had increased to $2,400,000,000 by 1952.

The closing stages of the war and the postwar period witnessed the establishment of several additional grant-in-aid programs. Of 51 grant-in-aid programs listed in a compilation prepared by the Library of Congress in 1952, 29 had been set in motion since 1944. Most of these new programs involve relatively minor expenditure. A few, however, notably the school-lunch program, contributions for school construction in federally affected areas, the grants for hospital survey and construction, involve rather substantial spending. In addition to these programs the Federal Government, in the postwar period, has launched upon an expanded program of grants for public health, for the abatement of water pollution, protection against shore erosion, for civil defense, among others.

The increase in Federal-aid spending is due chiefly to increased appropriations for public assistance and for highway construction. Expenditures in 1952 for grants-in-aid were $1½ billion greater than those of 1946; two-thirds of this increase, $1 billion, lies in the larger appropriation for public assistance. The Federal Government has assumed a proportionately greater financial burden in providing public assistance by virtue of changes in the formulas by which public assistance grants to the States are governed, and in lesser degree, by virtue of the incorporation of a fourth type of program in the public-assistance category in 1950.

THE SHIFT OF EMPHASIS IN FEDERAL AID

Down to the time of World War I, the dominant objects of Federal aid were education and agriculture. After the passage of the second Morrill Act in 1890, the largest single Federal expenditure for aid programs (omitting the annual contribution for the District of Columbia) was devoted to land-grant colleges. In 1902 land-grant colleges and agricultural experiment stations together received two-thirds of the Federal money expended on programs of this character (again disregarding the contributions for the District of Columbia) and by 1912 their share had risen almost to four-fifths of the total of such expenditures.

Between 1920 and 1933 aid to highways absorbed at least 50 percent of Federal grant-in-aid money for each year for which data are available. During most of this period the share allotted to highways ranged from 60 percent to 75 percent of the total. In 1933 the regular Federal grants for highways amounted to 50 percent. If we add to these regular grants, highway expenditures of an emergency nature—chiefly loans to States which were never repaid—the total becomes 75 percent.

From 1934 on, grant-in-aid expenditure becomes predominantly expenditure for health and welfare. Between 1935 and 1939, the percentages of total grant-in-aid spending devoted to these objects hovered around 90 percent. It declined thereafter, ranging from 80 to 90 percent from 1939 to 1941, receded to approximately 60 percent in 1945 and to 50 percent in 1947. Thereafter it rose to approximately 60 percent—the level at which it has remained in the years down to the present.

THE GROWTH OF FEDERAL-AID SPENDING

The last 50 years have witnessed an increase of 360 times in the dollar volume of Federal grants-in-aid to States and localities. In 1902 the National Treasury paid out some $7 million in aid; by 1952 expenditures in this category had reached $2,600,000,000. Total Federal expenditure for all purposes has increased approximately 116 times during this period, or at one-third the rate of growth registered by grant-in-aid spending.

The growth has not been steady. There have been three periods of substantial increase in Federal-air spending. The aftermath of World War I saw a level of spending 10 times greater than that of the pre-war period. The depression was the second period of substantial increase, reaching its apogee in 1939. After the reduction in Federal-air spending in World War II came the third notable increase, a trebling of expenditures in the period between 1946–52.

At the present time, Federal-aid spending has again reached the high point of the depression era attained in 1939. The relative share of Federal money devoted to the respective objects of Federal aid is, however, significantly different from the pattern of 1939. Of the five major categories into which Federal-aid spending falls, only welfare expenditures are today substantially below the 1939 level. Grants-in-aid for agriculture are at about the same amount as in the prewar era. Grants for highways and for labor have increased 3 times; grants for education, 5 times. Welfare expenditures which amounted to $2½ billion in 1939 stood at $1½ billion in 1952. In 1939 they constituted approximately 80 percent of the total volume of Federal-aid spending; in 1952, they made up 50 percent.

If we leave out of consideration the temporary and emergency grants established to cope with the problems of depression and war and look only at the permanent grants-in-aid program, we find a pattern of growth somewhat different from that discerned in the grants-in-aid program as a whole. The permanent grants have been subject to less frequent and less violent fluctuation. Greater stability is found among them. The regular grants-in-aid program evidences the post-World War I increase already noted. (Until the 1930's the total grants-in-aid program and the permanent grants-in-aid program were the same. Emergency grants first appeared on a substantial scale in the depression years.) Throughout the 1920's and the first half of the thirties, it shows great stability except for 2 years in which appropriations under the permanent grants-in-aid program were replaced almost completely by emergency grants. An increase in expenditure under the regular program began in 1937, when the Social Security Act first showed its effects and continued steadily until America became involved in World War II. The war years brought only a mild dip in spending under the permanent programs in contrast to the sharp decline in emergency grants. Their upward climb was resumed in 1946 and has continued steadily since that time.

REVISED LIST OF ALL FEDERAL-AID PROGRAMS, FISCAL YEAR ENDING JUNE 30, 1953, PREPARED BY COMMISSION ON INTERGOVERNMENTAL RELATIONS FROM THE RECORDS OF THE UNITED STATES BUREAU OF THE BUDGET

GRANTS-IN-AID

A. Veterans' services and benefits

1. VA: Aid to State homes.
2. VA: State supervision of schools and training establishments.
3. VA: Administration of unemployment and self-employment benefits.

Total expenditures, $6,326,000.

B. Social security, welfare, and health

4. HEW: Public assistance.
5. HEW: Vocational rehabilitation.
6. HEW: Hospital construction (portion to private nonprofit institutions).
7. HEW: Surveys and programs for hospital construction.
8. HEW: Assistance to States, general public health.
9. HEW: Control of venereal diseases.
10. HEW: Control of tuberculosis.
11. HEW: Mental-health activities.
12. HEW: National Heart Institute.
13. HEW: National Cancer Institute.
14. HEW: Maternal and child welfare.
15. HEW: Disease and sanitation control, Alaska.
16. HEW: Water-pollution control.
17. HEW: Defense community facilities and services.
18. HEW–Agriculture: National school-lunch program.

Total expenditures, $1,608,966,539.

C. Housing and community development

19. President: Disaster relief.
20. H and HFA: Low-rent housing program annual contributions.
21. H and HFA: Veterans reuse housing.
22. H and HFA: Slum clearance and urban redevelopment-capital grant.
23. H and HFA: Defense community facilities and services.
24. H and HFA–GSA: Defense public works, community facilities.
25. H and HFA–Interior: Virgin Islands public works.
26. H and HFA–Interior: Alaska public works.
27. H and HFA–FCDA: Federal contributions.

Total expenditures, $66,481,081.

D. Education and general research

28. HEW: Assistance for school construction and operation in federally affected areas—maintenance and operation of schools.
29. HEW: School construction.
30. HEW: Vocational education.
31. HEW: Colleges for agriculture and the mechanic arts.
32. HEW: Education of the blind.

Total expenditures, $230,958,725.

E. Agriculture and agricultural resources

33. Agr.: Removal of surplus agricultural commodities.
34. Agr.: Cooperative agricultural extension work.
35. Agr.: Agricultural experiment stations.
36. Agricultural Marketing Act: cooperative projects in marketing.

Total expenditures, $97,336,506.

F. Natural resources

37. Agr.: State and private forestry cooperation.
38. Int.: Wildlife restoration.

39. Int.: Fish restoration and management.
Total expenditures, $22,771,000.

G. Transportation and communication

40. Comm.: State Marine schools.
41. Comm.: Postwar Federal-aid highways.
42. Comm.: Prior Federal-aid highways laws.
43. Comm.: War and emergency damage, roads, Hawaii.
44. Comm.: Federal-aid airport program.
Total expenditures, $527,903,428.

H. Labor

45. Labor: Unemployment compensation and employment-service administration.
Total expenditures, $202,170,388.

I. General Government (not assigned)

46. Int.: Grants to American Samoa, Guam, and Trust Territories.
47. Int.: District of Columbia Federal contributions.
Total expenditures, $18,161,000.
Total grants-in-aid, $2,781,074,667.

SHARED REVENUES

A. Agriculture and agricultural resources

48. Agr.: Submarginal land program.
Total expenditures, $448,452.

B. Natural resources

49. FPC: Federal Power Act.
50. Int.: Grazing receipts to the States.
51. Int.: Proceeds, to States, sales of public lands and materials.
52. Int.: Alaska school lands, income and proceeds.
53. Int.: Boulder Canyon Project, payments to Arizona and Nevada.
54. Int.: Oregon and California land-grant fund, to counties.
55. Int.: Deficiency payments to counties, Oregon and California.
56. Int.: Payments to Coos and Douglas Counties, Oregon, on Coos Bay Wagon Road grant lands.
57. Int.: Payments to Oklahoma from oil and gas royalties.
58. Int.: Mineral Leasing Act, to States.
59. Int.: Payment to Wyoming in lieu of taxes, public parks.
60. Int.: Migratory Bird Conservation Act, to counties.
61. Agr.: National forests fund, to States for counties.
62. Agr.: National forest receipts to Arizona and New Mexico for schools.
63. Defense: Flood control act of 1938, to States for counties.
64. TVA: Payments in lieu of taxes.
Total expenditures, $50,369,854.
Total shared revenues, $50,817,906.

LOANS AND REPAYABLE ADVANCES

Gross loans and repayable advances:

A. Housing and community development

65. H and HFA: United States Housing Act.
66. H and HFA: Advance planning of non-Federal public works.
67. H and HFA: Defense community facilities and services.
68. H and HFA: Slum clearance and urban redevelopment.
69. Treas. (RFC): Provision of community facilities.
70. FCDA: Procurement fund.
71. Int.: Alaska public works.

B. General Government

72. H and HFA: D. C. water system loans.

Collections credited against expenditures:

73. H and HFA: United States Housing Act.
74. H and HFA: Advance planning of non-Federal public works.
75. H and HFA: Defense community facilities and services.
76. H. and HFA: Slum clearance and urban redevelopment.
77. Treas. (RFC): Provision of community facilities.
78. FCDA: Procurement fund.

Net budget expenditures for loans and repayable advances, $25,402,519.

Grand total, grants-in-aid, shared revenues, loans and repayable advances, $2,857,295,092.

Source: United States Bureau of the Budget, Executive Office of the President. All figures shown are actual for the fiscal year ending June 30, 1953. Administrative expenses in the handling of grants, etc., are excluded.

CODE

Agr.: Department of Agriculture.
Comm.: Department of Commerce.
Def.: Department of Defense.
FPC: Federal Power Commission.
GSA: General Services Administration.
HEW: Department of Health, Education, and Welfare.
HEW-Agr.: Department of Health, Education and Welfare and Department of Agriculture.
HEW-GSA: Department of Health, Education, and Welfare and General Services Administration.
H and HFA: Housing and Home Finance Agency.
H and HFA-FCDA: Housing and Home Finance Agency and Federal Civil Defense Administration.
H and HFA-GSA: Housing and Home Finance Agency and General Services Administration.
H and HFA-Int.: Housing and Home Finance Agency and Department of Interior.
Labor: Department of Labor.
Pres.: Executive Office of the President.
Treas. (RFC): Treasury (Reconstruction Finance Corporation).
TVA: Tennessee Valley Authority.
VA: Veterans' Administration.
VA-GSA: Veterans' Administration and General Services Administration.

Mr. ELLSWORTH. Mr. Speaker, I yield such time as he may desire to the gentleman from Missouri [Mr. CURTIS].

Mr. CURTIS of Missouri. Mr. Speaker, I want to quote an editorial appearing in the St. Louis Globe-Democrat on the subject of public housing:

WHERE FAULT LIES

When Albert Cole spoke here on public housing the other day, the moral of his speech could be summed up in a few wise words. Namely, that an ounce of prevention is worth a pound of cure.

Washington realizes, he said, that it must step into the battle to save our cities from slums. And the administration knows, he added, that it must help pay for low-cost public housing to shelter families who are made homeless when city slums are torn down.

At the same time, he stated bluntly that American cities are breeding new slum areas as fast as the old are cleared out. And he put the blame where it belongs—on the cities themselves.

St. Louis offers an excellent case history. In 1946 veterans of World War II erected a pup tent on the lawn of the city hall. Johnny is marching home, they said, but he has no home to march to. The pup tent, they added, is a symbol of the kind of sleazy quarters that veterans might then expect to get in St. Louis.

Under pressure, the board of aldermen enacted an emergency housing act that opened the city's residential areas to roomers. But the ordinance was passed only after many St. Louisans warned that it held great danger to the city.

Thus, Harland Bartholomew, the dean of city planners, cautioned the aldermen that the enforcement problem would be beyond anything you realize. And Attorney Thomas W. White predicted that the bill would create new blighted areas worse than the disease it hopes to cure. Furthermore, he added, it will undermine property values, and it will be virtually impossible to stamp out roominghouse operations, once the city lets the bars down.

Men like Bartholomew and White were right. Today there are whole areas of St. Louis in which the FHA won't insure a home mortgage, and the banks won't write one. The reason is that the neighborhoods have been invaded by lodginghouses. Prudent investors know that this is one of the unmistakable signs that a residential district is on the skids.

When the emergency housing act was passed, it was supposed to expire in June 1947. But board of aldermen has extended it every year. It is still on the books.

The aldermen and the voters who elect them have also played fast and loose with St. Louis' model zoning law.

Just last week these guardians of the city's welfare overrode the mayor's veto of two spot zoning bills. The present board is setting a new high for this kind of legislation that caters to special interests.

Yet the chairman of the city plan commission, who is a veteran St. Louis real-estate man, warned them of this folly.

"As a realtor," Chairman Saul Dubinsky said, "I can tell you that spot zoning does depreciate adjoining property values, does demoralize the surrounding neighborhood, and will have an adverse effect on the economic stability of our community." His warning fell on deaf ears.

When cities, including St. Louis, run to Washington for a Federal handout, they should remember the Biblical admonition: Physician, heal thyself.

POSTAL RATE INCREASES

Mr. ELLSWORTH. Mr. Speaker, I yield to the gentleman from California [Mr. HINSHAW] for a unanimous-consent request.

Mr. HINSHAW. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. HINSHAW. Mr. Speaker, the Post Office Department's experimental program authorizing the certificated scheduled airlines to fly first-class mail between certain cities in the United States has now entered its sixth month. This expedited mail service, initiated in the public interest, represents a milestone in the Postmaster General's current program to improve the postal services. The realism of this approach to the postal problem was recognized 7 years ago by the Congressional Aviation Policy Board, of which I had the honor of serving as Vice Chairman. Established in July of 1947, the Board urged the Congress to give early consideration to the transport of all first-class mail by air. We maintained that the carriage of long-haul, first-class mail by air would substantially benefit the Nation's convenience, commerce, national security, and service to the public as a whole. We emphasized then, as I do now, that improved, accelerated communications increase the tempo of business and add to the integration of our total economy. From the standpoint of national security, we pointed out that an increased fleet of air transports in being would stem from the transference of long-haul, first-class mail to the air

carriers. To the extent that this air-transport reserve would thus be supported by mail revenue, the overall defense costs of the Nation would be reduced.

It is interesting to note that the following year, in 1948, a report was issued by the President's Air Policy Committee, known as the Finletter report, which stated that the test as to what first-class mail shall move by air should be the best possible mail service to the public. The Committee recommended that Congress give most serious consideration to the air carriage of all first-class mail which could be expedited thereby.

I endorse these sentiments now as I endorsed them then. And in so doing I would like to pay tribute to the gentlemen from the Senate, and especially to my own distinguished colleagues—Representatives WOLVERTON, of New Jersey; KILDAY, of Texas; and the late honored gentlemen from Nebraska and North Carolina, respectively, Congressmen Stefan and Bulwinkle—who served so ably on the Aviation Policy Board and who contributed to the formulation of what I believe to be a most realistic report.

It is significant that a Republican administration has put this thinking into practice. Not only is the Postmaster General's very commendable current mail experiment bringing improved service to the public, but it is proving to be a deficit-reducer for the Post Office Department as well. For example, the run between New York and Chicago alone is realizing revenues for the Post Office Department, after payment to the carriers, of more than $2,000 per ton of mail flown. Specifically, the Department is realizing $2,314 a ton, of which $134.66 is paid to the airlines for services rendered. This means that the airlines receive only 5.8 percent of the postal revenues for flying the New York-Chicago mail, and the remaining 94.2 percent, or $2,175.34 on each ton, is retained by the Post Office to pay ground expenses.

This expedited and profitable service is also operating between Washington and Chicago, as well as between the following points: Washington-Jacksonville, Washington-Tampa, Washington-Miami, New York-Jacksonville, New York-Tampa, New York-Miami, Chicago-Jacksonville, Chicago-Tampa, Chicago-Miami. In addition to bringing improved mail service to some of the larger United States cities, the scheduled airlines have proved that first-class mail can be flown to small-town America without costing the Government a single penny. In fact, the scheduled airlines have proved that this service makes money for the Government.

I speak of the more than 350 United States cities which were served by the 14 local service airlines—on the expedited first-class-mail basis—for a week just before Christmas. A substantial number of these cities have populations of as few as 3,000 people. For serving these points, the local service airlines received less than $15,000, while they generated revenues for the Post Office, after payments to themselves, amounting to more than $500,000. In other words, the scheduled airlines have demonstrated—and are currently demonstrating—that they are capable of bringing greatly improved mail service—at the lowest postage rates in airmail history—to the country as a whole and at the same time make money for the Post Office Department.

In view of the substantial dividends which the current expedited mail experiment is returning to the Nation—in revenues to the Post Office Department and in improved service to the public—I find the pending bills in the House and Senate to raise the airmail postage rate from 6 cents to 7 cents inconsistent. Based on past postal-rate experience, such an increase would result in depressing airmail volume, thereby negating the very benefits which expedited mail is providing. In other words, the Post Office appears to be giving with one hand and taking away with the other.

Let us examine the record:

On July 1, 1932, airmail rates were increased from 5 cents for the first ounce and 10 cents for each additional ounce to 8 cents and 13 cents respectively. The increased rates were followed by a 33-percent decline in airmail volume within 1 year. And while the revenue per piece was thereby increased, the expense per piece increased by a larger amount. The increase in postal rates in 1933, rather than reducing the deficit per piece, actually increased the deficit—from 20 cents in 1932 to 28 cents in 1933.

Following this experience, significant reductions in the average deficit per piece appeared within the first fiscal year after Congress had reduced airmail rates to 6 cents an ounce on July 1, 1934. The average revenue per piece declined a little but the expense per piece, influenced by a 36-percent increase in volume during 1935, dropped by a large amount. The net effect was to reduce the average deficit per piece. Thereafter, under the 6-cent rate, the volume of airmail continued to rise and the cost per piece continued to decline. The lower rates had generated a large increase in the volume of airmail, but, what is more important, the increased volume resulted in reducing the cost of providing airmail service.

The same set of circumstances occurred during World War II. It is true that the war years returned substantial profits to the Post Office on its airmail operations. However, this was due to the abnormal amount of mail generated by military personnel and their families and friends, thus creating a false sense of security with respect to the relationship between airmail rates and airmail volume. The precipitous decline in the volume of airmail to service personnel after the war, coupled with the steady decline in the volume of ordinary domestic airmail, was such that the average cost per piece would have exceeded the average revenue received under the wartime 8-cent rate had a drop to 5 cents not been effected on October 1, 1946. Thereafter, the volume of airmail immediately began to rise.

Since then, every airmail postage increase has indicated that first, the Post Office deficit is not reduced by increasing the air postal rates; second, airmail rate reduction creates substantial increases in the volume of airmail; third, increased volume effects substantial reduction in the unit cost of airmail.

In view of the foregoing airmail rate axioms, and in view of the success of the current expedited first-class mail-by-air experiment, I recommend the following alternative to the proposal to increase airmail postage from 6 cents to 7 cents:

I recommend that 6-cent airmail be eliminated and that a new class of priority first-class mail be established. This class of mail would include all present first-class plus airmail, and would be carried at a uniform postage rate. It would be the responsibility of the Post Office Department to dispatch all mail in this new class by the most expeditious transportation medium available. The benefits to the Nation of such a priority or all-up mail program would be, in essence, twofold:

First. The public—by which I mean all the public and not only those who pay the current 6-cent airmail rate—would receive the best mail service possible with existing transportation media.

Second. The increased mail revenue accruing to the Post Office Department would go a long way toward enabling the Postmaster General to realize his goal of a greatly reduced postal deficit.

It is obvious that certain increased expenses would be incurred if all first-class mail were sent by air when such means proved the most expeditious. To absorb this cost, it is the consensus of those who have studied the possibilities of this all-up program that the most realistic rate would be 5 cents an ounce. Under a 5-cent rate, net revenue increases to the Post Office probably would range between $302 million and $316 million. This range is based on the fiscal data contained in the 1952 Cost Ascertainment Report, the most recent year for which such information is available. It is generally believed that higher postal profits will be registered when the Post Office figures for later fiscal years are available.

The 1952 total postal deficit amounted to $727 million. Had the all-up program—at the 5-cent rate—been in existence during that year, the net postal deficit would have been reduced to somewhere between $391 million and $425 million. This represents a profit to the Post Office and a tax savings to the public. However, savings to the public would be reflected not only in terms of dollars and cents but in time.

Mr. ELLSWORTH. Mr. Speaker, I yield such time as he may desire to the gentleman from New York [Mr. JAVITS].

Mr. JAVITS. Mr. Speaker, I am strongly in favor of this bill. It implements part of the President's program and is most desirable, and therefore should be enacted in its entirety. The bill before us today had a precursor in bills in the 81st and 83d Congresses.

Early in this Congress, in March 1953, together with the senior Senators from New York and Vermont in the other body and Mr. HALE, of Maine and Mr. SCOTT, of Pennsylvania, I introduced the

National Health Act of 1953, the successor to the health measure introduced in 1949, the National Health Act of 1949, sponsored by 2 Republican Members of the other body and 8 Republican Members of the House of Representatives.

The voluntary health and medical-service program embodied in that bill basically calls for Federal-State financial assistance to voluntary, nonprofit, prepayment health plans. Primary responsibility for the development of adequate health services is placed in the States and local communities and in nonprofit cooperatives and group-practice units with the fullest encouragement to local initiative. The people are thus offered the maximum in health assistance with the minimum of Government control. Local people are to determine the yardstick of medical care which community medical resources make possible. The plan is based on a fee of a percentage of income by those who elect to use it. No one is compelled to join, but nonjoiners lose the benefit of the public support for the health plans. In addition to provisions analogous to those before us today that bill would also provide assistance in maintaining and increasing the number of those trained annually in the fields of medicine and nursing. It provides, too, for assistance to States for the development and maintenance of local public-health units organized to provide basic full-time public-health services in all areas of the Nation and for the training of all types of personnel for public-health unit work.

The need for such a program is great. The time for such a program is now.

This proposal is entirely consistent with Republican philosophy.

President Eisenhower, in a campaign address at Los Angeles, Calif., on October 10, 1952, stated:

> [It is] a sound investment in a sounder America to see to it that adequate medical care is made accessible and brought within the means of all our people. * * * The answer is to build on the system of voluntary, nonprofit health-insurance plans which our people have already developed at an amazing rate.

He continued in his address with the following:

> The usefulness of Federal loans or other aid to local health plans should be explored.

SPECIAL ORDER VACATED

Mr. JAVITS. Mr. Speaker, I ask unanimous consent that the special order granted me for today be vacated.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

MEDICAL FACILITIES SURVEY AND CONSTRUCTION ACT OF 1954

Mr. LYLE. Mr. Speaker, I yield 10 minutes to the gentleman from Massachusetts [Mr. McCORMACK].

Mr. McCORMACK. Mr. Speaker, of course I am for this rule and I am for the bill. I am very glad to note that one of the first bills coming up in this session is a bill extending a measure that was passed while the Democrats were in control in a past Congress. I commend my Republican friends for realizing that they cannot depart from the policies of the Democratic Party of the last 20 years. They recognize that the wisdom of the last 20 years was in the best interests of the people of our country.

This bill is simply evidence of that fact, and other bills that will follow will simply strengthen the statement that I have just made.

I was interested the other day to read that my distinguished friend from Indiana [Mr. HALLECK] said that legislative history will be made this week. I assume by that he meant the passage of the bill we had yesterday, Federal aid to roads; the bill we are considering today, and the tax bill we shall consider tomorrow.

As a matter of fact, when we Democrats were in control we would have passed the 3 bills in 1 day.

We hear a lot of talk about unemployment and certainly there is plenty of unemployment. We hear a lot of talk, and properly so, that we shall never have another depression. That is due to the cushions that exist in the present law. I cannot disagree with those who make that statement because, again, the cushions in the present law were put in by the Democrats. And most of them were put in over the violent objections of the great majority of my Republican friends; old-age pensions, unemployment compensation, guaranty of deposits under the Federal Deposit Insurance Act, minimum wages, elimination of child labor, development of natural resources, not permitting them to go to waste; public power, protecting the lives and property of people throughout the country in the building of dams, conservation, farm legislation. These are only some of the cushions that exist under the present law which, fortunately, would prevent any recurrence of the dreadful conditions of 1930, 1931, and 1932. So the cushions exist because of Democratic leadership. That is some of the treason we committed during the last 20 years, strengthening the family life of America, making our country stronger.

We Democrats have a record of which we can well be proud. There is no reason we should be on the defensive. We can go forth to the people of the country, all sections of the country, letting them know the great things the Democratic Party did for the people and the fact that the Republican Party under the present administration is in the main following the leadership of the Democratic Party of the last 20 years.

Reference has been made to the tax bills and one of them comes up tomorrow. I intend to make a motion to recommit that bill for the purpose of extending the temporary taxes that expire on April 1, extending them 1 year rather than let them become permanent as provided for in the bill reported out by the 15 Republican members of the Committee on Ways and Means; also to include in it something for the small moving-picture houses and other recreational activities in your community and in the small communities of the country, to provide an exemption up to and including 50 cents of the admission price.

The Republicans have decided that there can be tax reduction; the Republicans have made that decision, and we Democrats are going to try, in the light of the decision made by the Republicans, to see that the reductions in taxes are fair and equitable.

The temporary taxes that expire April 1 were imposed in connection with the Korean conflict, to help meet the expenses of the Korean conflict. We provided a termination date of April 1, 1954.

The bill reported out that will come up tomorrow makes them permanent just the same as the 80th Congress made certain temporary taxes at that time permanent, despite the fact that President Truman recommended their extension for only 1 year, and we Democrats tried to carry that out. Temporary taxes expiring at that time were made permanent and they are now on the statute books as permanent legislation.

What we are going to try to do is to keep the promise we made to the automobile industry that bears a tax of somewhere around 8 percent on the sale of automobiles with the result that they are in today from a business angle. The Republicans have decided to extend that tax permanently. We Democrats say—at least I take the position and I hope my Democratic colleagues will follow it, and I hope enough Republicans, that it will prevail—to extend them for 1 year and to extend the other temporary taxes that expire April 1 for 1 year.

Furthermore, the bill that comes to you later will provide for an extension of the temporary increase in corporation taxes for 1 year. They do not make that permanent legislation, and I am in agreement with that; I think they should be extended for only 1 year, the corporation tax, the five-point increase that we made back a few years ago to try and raise revenue to help pay the expense of the Korean conflict. I believe the corporation tax is the only thing to be extended 1 year and yet they want to make permanent the temporary taxes that expire April 1 of this year and which will be in the bill that will come up tomorrow.

So that is the recommittal motion that will be made by me tomorrow. It seems to me that is a fair one and an equitable one; it is a just one, and it is one that is consistent with the promise this Congress made when they put those temporary increases into operation.

So this bill is before us today, and I am glad to see it here. I respect the views of my friend, the gentleman from Texas [Mr. LYLE], there is something to what he said, but, viewing the overall picture, there is a need. This is good for the country, this is good democratic legislation, and I am glad to see my Republican colleagues recognize that fact, as they will, in conection with other measures that will come up in this body and in the other body during the remainder of the session.

I also think that the Republican Members should help us Democrats keep the promise that we made to business, already suffering terribly, by extending the temporary taxes that expire on April 1

for 1 year rather than making them permanent propositions.

Mr. ELLSWORTH. Mr. Speaker, I yield 1 minute to the gentleman from New York [Mr. REED].

Mr. REED of New York. Mr. Speaker, the bill (H. R. 8224) does not provide that this new extension of rates will expire after 1 year. No termination date is provided in the bill. Instead, our committee report makes clear our intention to take another look at these rates next year. Placing an excise termination date into the law only serves to create anxiety and uncertainty among the public as the termination date approaches. We have today the unfortunate fact that automobile dealers have organized to stop accepting deliveries from manufacturers simply because the tax was scheduled to go down April 1. Thus, the use of an excise termination date serves no useful purpose and can have only one significant result—it is an open invitation to a buyer's strike, a most disastrous injury to the business affected.

Mr. LYLE. Mr. Speaker, I yield myself 1 minute.

Mr. Speaker, the only reason that taxation properly comes up in this discussion is to point out the ridiculous position that many of us are in. As I recall, in the 80th Congress, we made taxes permanent with the promise that we would look into them, with the hope of revising them. I believe the Republicans were then in control of the Congress. As far as I know, no further effort was made to look into the matter.

We are going to have another look, I do not know when, but I hope it will be before this session is over.

Mr. Speaker, we cannot escape the soundness of this proposition: We cannot give to the American people everything we would like for them to have, everything they would like to have and at the same time on the next day, the next week, or the next month, cut taxes. It is not realistic. It does not make sense. We cannot appoint commissions and brag about the great work they are going to do, and then make their decisions and recommendations moot because we move out long before we have any recommendations to work on. We must be realistic. We cannot be forever political and forever seeking to perpetuate ourselves in office. Of course, it is desirable to build the hospitals and the homes that this bill provides; of course, it is desirable. However, the Government can get money from only one place, the people of America through a tax system. Promising year after year to look into the revision of taxes to make them fair, then to come here year after year with a purely arbitrary decision as to the amount of money we need, without regard to whether the taxes are fairly distributed or not, just does not make for fairness.

You cannot, Mr. Speaker, I emphasize again, promise and deliver to the American people everything they want and cut their taxes. It just will not work, sir. It violates, and not without impunity, basic arithmetic.

Mr. ELLSWORTH. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

Mr. WOLVERTON. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 8149) to amend the hospital survey and construction provisions of the Public Health Service Act to provide assistance to the States for surveying the need for diagnostic or treatment centers, for hospitals for the chronically ill and impaired, for rehabilitation facilities, and for nursing homes, and to provide assistance in the construction of such facilities through grants to public and nonprofit agencies, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 8149, with Mr. Bow in the Chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. WOLVERTON. Mr. Chairman, I yield myself 25 minutes.

Mr. Chairman, the bill now before us for consideration, H. R. 8149, is the first in a series of bills to effectuate the health program of the President.

MESSAGES OF PRESIDENT INDICATING NECESSITY OF HEALTH PROGRAM

In his address to a joint session of the two Houses of Congress on January 7 of this year, President Eisenhower expressed the intention of submitting to Congress at a later date a health program for the people of the Nation. In that address on the state of the Union, the President said:

I am flatly opposed to the socialization of medicine. The great need for hospital and medical services can best be met by the initiative of private plans. But it is unfortunately a fact that medical costs are rising and already impose severe hardships on many families. The Federal Government can do many helpful things and still avoid the socialization of medicine.

The Federal Government should encourage medical research in its battle with such mortal diseases as cancer and heart ailments, and should continue to help the States in their health and rehabilitation programs. The present Hospital Survey and Construction Act should be broadened in order to assist in the development of adequate facilities for the chronically ill. Moreover we should encourage the construction of diagnostic centers, rehabilitation facilities, and nursing homes. The war on disease also needs a better working relationship between Government and private initiative. Private and nonprofit hospital and medical insurance plans are already in the field, soundly based on the experience and initiative of the people in their various communities. A limited Government reinsurance service would permit the private and nonprofit insurance companies to offer broader protection to more of the many families which want and should have it. On January 18, I shall forward to the Congress a special message presenting this administration's health program in detail.

It was very gratifying to those who have given the health needs of the Nation their careful study and consideration, to hear the President give recognition to the importance of having an overall health program to meet the medical care of our people, the rising cost of medical and hospital treatment, and provide the necessary facilities.

On January 18 of this year the President, in fulfillment of the intention he expressed in his state of the Union message, sent to the Congress a special message submitting a health program for the Nation. In presenting his recommendations to Congress on the subject of health, the President took occasion to again express his strong conviction as to the duty we owe to the people of the Nation in this respect. The message is entitled to have the serious consideration of all who think in terms of the welfare of our people. It is not my intention to give in full all of the worthwhile statements made by the President in this memorable message, but I strongly suggest that the message in its entirety be read and reread by the membership of this House and the Senate—House Document No. 298. However, while I do not intend to read the message in full at this time, as the available time would not permit, yet, there are a few parts of it to which I do wish to direct particular attention, to wit:

I submit herewith for the consideration of the Congress recommendations to improve the health of the American people.

Among the concerns of our Government for the human problems of our citizens, the subject of health ranks high. For only as our citizens enjoy good physical and mental health can they win for themselves the satisfactions of a fully productive, useful life.

The progress of our people toward better health has been rapid. Fifty years ago their average life span was 49 years; today it is 68 years.

This rapid progress toward better health has been the result of many particular efforts, and of one general effort. The general effort is the partnership and teamwork of private physicians and dentists and of those engaged in public health, with research scientists, sanitary engineers, the nursing profession, and the many auxiliary professions related to health protection and care in illness. To all these dedicated people, America owes most of its recent progress toward better health.

Yet much remains to be done. Approximately 224,000 of our people died of cancer last year. This means that cancer will claim the lives of 25 million of our 160 million people unless the present cancer mortality rate is lowered. Diseases of the heart and blood vessels alone now take over 817,000 lives annually. Over 7 million Americans are estimated to suffer from arthritis and rheumatic diseases. Twenty-two thousand lose their sight each year. Diabetes annually adds 100,000 to its roll of sufferers. Two million of our fellow citizens now handicapped by physical disabilities could be, but are not, rehabilitated to lead full and productive lives. Ten million among our people will at some time in their lives be hospitalized with mental illness.

There exist in our Nation the knowledge and skill to reduce these figures, to give us all still greater health protection and still longer life. But this knowledge and skill are not always available to all our people where and when they are needed. Two of the key problems in the field of health today are the distribution of medical facilities and the costs of medical care.

Not all Americans can enjoy the best in medical care—because not always are the requisite facilities and professional personnel so distributed as to be available to them, particularly in our poorer communities and rural sections.

Even where the best in medical care is available, its costs are often a serious burden. Major, long-term illness can become a financial catastrophe for a normal American family. Ten percent of American families are spending today more than $500 a year for medical care. Of our people reporting incomes under $3,000, about 6 percent spend almost a fifth of their gross income for medical and dental care. The total private medical bill of the Nation now exceeds $9 billion a year—an average of nearly $200 a family—and it is rising. This illustrates the seriousness of the problem of medical costs.

We must, therefore, take further action on the problems of distribution of medical facilities and the costs of medical care, but we must be careful and farsighted in the action that we take. Freedom, consent, and individual responsibility are fundamental to our system. In the field of medical care, this means that the traditional relationship of the physician and his patient, and the right of the individual to elect freely the manner of his care in illness, must be preserved.

In adhering to this principle, and rejecting the socialization of medicine, we can still confidently commit ourselves to certain national health goals.

One such goal is that the means for achieving good health should be accessible to all. A person's location, occupation, age, race, creed, or financial status should not bar him from enjoying this access.

Second, the results of our vast scientific research, which is constantly advancing our knowledge of better health protection and better care in illness, should be broadly applied for the benefit of every citizen. There must be the fullest cooperation among the individual citizen, his personal physician, and research scientists, the schools of professional education, and our private and public institutions and services—local, State, and Federal.

Following these general thoughts, that emphasize the importance and necessity of a health program for our people, the President set forth in detail his specific recommendations with reference to the following:

I present four proposals to expand or extend the present program:

First. Added assistance in the construction of nonprofit hospitals for the care of the chronically ill. These would be of a type more economical to build and operate than general hospitals.

Second. Assistance in the construction of nonprofit medically supervised nursing and convalescent homes.

Third. Assistance in the construction of nonprofit rehabilitation facilities for the disabled.

Fourth. Assistance in the construction of nonprofit diagnostic treatment centers for ambulatory patients.

Finally, I recommend that in order to provide a sound basis for Federal assistance in such an expanded program, special funds be made available to the States to help pay for surveys of their needs. This is the procedure that the Congress wisely required in connection with Federal assistance in the construction of hospitals under the original act. We should also continue to observe the principle of State and local determination of their needs without Federal interference.

These recommendations are needed forward steps in the development of a sound program for improving the health of our people. No nation and no administration can ever afford to be complacent about the health of its citizens. While continuing to reject Government regimentation of medicine, we shall with vigor and imagination continuously search out by appropriate means, recommend, and put into effect new methods of achieving better health for all of our people. We shall not relax in the struggle against disease. The health of our people is the very essence of our vitality, our strength, and our progress as a nation.

I urge that the Congress give early and favorable consideration to the recommendations I have herein submitted.

This message by the President is timely and noteworthy. It leaves no doubt that the President recognizes that improving the health of our people is one of the major problems facing us today. And I am certain that the Congress will do something about it as requested by the President.

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE HAS MADE A COMPLETE AND CAREFUL STUDY OF THE NEED AND IS PREPARED TO OFFER LEGISLATION THAT WILL BE HELPFUL

The House Committee on Interstate and Foreign Commerce has already worked diligently on this matter.

Last fall, after the Congress had adjourned, the members of the committee returned to Washington for extensive hearings on the status of the Nation's health, in which inquiry was made into what is known to medical science, today, with respect to the causes, control, and treatment of the principal diseases of mankind, such as heart, cancer, polio, arthritis, rheumatism, mental, metabolic diseases, and the like, altogether some 14 or 15 specific diseases. The committee was concerned specifically with finding out just what has been accomplished, how it has been accomplished, what the present-day problems are, what promise the future holds, and what additional steps might be taken by way of research or other measures, to hasten relief from these dreadful diseases, mitigate human suffering, and curtail the losses which disease inflicts upon our national economy.

DISTINGUISHED PHYSICIANS, SCIENTISTS, AND LAYMEN TESTIFY

Some 95 distinguished physicians, scientists, and laymen participated in the series of discussions which we had, coming to Washington voluntarily and at their own expense to advise the members of our committee on the current status of knowledge in specific fields, to document the extent of public and private efforts to find the causes of and to control disease, and to highlight the health problems and health needs of the Nation today.

Their testimony presented a dismal catalog of the magnitude of the disease problem. Disease by disease the witnesses enumerated the number of people afflicted, the number of premature deaths, the number of people crippled, the cost of illness to the individual and his family, and the cost of the disease to the Nation in terms of lost production, lost manpower, and the tax burden for medical care.

The problems of long-term illness and chronic illness that are with us today have been brought about primarily by the tremendous increase in the old-age group of our population in relation to the rest of the population. The national population has doubled from 1900 to 1950. During the same period, however, there has been a fourfold increase in the number of people aged 65 years or over—from 3 million to 12 million persons. This increased number of aged persons has contributed greatly to the incidence of chronic disease, such as cancer, heart disease, arthritis, and rheumatism, and mental illnesses. Testimony before your committee brought out the fact that some 10 million of our people now suffer from heart disease. A large percentage of all persons hospitalized annually in the United States suffer from chronic heart disease.

We were told that heart disease is the leading cause of death in the United States, causing more than 1 out of every 2 deaths each year, and exacts a toll from every age group.

At the rate at which we are acquiring cancer, 50 million of the present population of the United States probably will acquire cancer, and about 25 million of them will die from that disease.

The number of mentally ill patients in the United States exceeds the number of patients suffering from any other type of diseases, approximately half—662,500 out of 1,425,000 hospital beds in the United States are needed and used for this group of illnesses.

Cerebral vascular disease, while causing some 160,000 deaths yearly, is more serious as a permanent crippler, leaving 1,800,000 now alive and crippled, paralyzing the body, or seriously limiting the powers of movement, speech, and vision. The other neurological and sensory disorders, similarly affecting the brain or spinal cord, are responsible for the disablement of another 8,200,000 persons.

There are 300,000 men, women and children in the United States who are totally blind, and 300,000 more have visual defects so serious as to create partial or almost total disability.

Arthritis, with a total of 10 million victims today, with over 1 million permanently disabled, afflicts more people, cripples and disables more people, and brings more pain to more people than any other chronic disease.

There at at least 1 million known diabetics in the country today.

Last year more than 250,000 Americans of working age alone were unable to work because of active tuberculosis.

During the years 1938–52, 302,677 cases of poliomyelitis were reported in the United States and its Territories. During the same years 20,916 deaths were caused by this disease. The estimate for 1953 is 35,000 cases.

And, if time permitted I could add to this list many, many more diseases and similarly discouraging facts and figures relating to such.

However, the testimony of these witnesses was not all gloom. They also outlined for us the tremendous progress which has been made in reducing the illness and death rate from certain diseases, particularly those of infectious nature. Infectious diseases have diminished as a national problem, for with the identification of the causes of these diseases, it has been possible to develop

means of prevention, control, and, when the diseases occur, their prompt and adequate treatment.

In the case of noninfectious diseases, improvement has not been so marked. There has been an actual increase in the incident of and death rate from these, especially those classed as chronic. One of the principal difficulties is lack of knowledge, knowledge about the causes of these principal diseases from which mankind suffer today. Without such knowledge, the prevention, control, or cure of many diseases is impossible.

From the testimony before this committee, it does not seem that adequate treatment is available for such afflictions as heart disease, cancer, arthritis and rheumatic disorders, cerebral palsy and muscular dystrophy and many others that create long-term illness. For example we were told, the physician knows that after an attack of coronary thrombosis or a cerebral hemorrhage, he can aid the patient by treating symptoms, but he cannot prevent or cure the disorder. He does not fully understand the underlying cause of these ailments and is therefore not able to eliminate them. Similarly, he may completely remove a malignant growth by surgery, or slow its growth by X-ray treatment. But if these treatments are not completely successful, as is too frequently the case, the physician is unable to do much more than to provide palliative treatment. He does not know the causes of tumor growth and is thus unable truly to conquer it.

While it is obvious that in some of these fields we do not yet know how we may provide a complete cure, nor, in others do we know just what we are fighting, research activities already have produced marvelous results in the prevention and treatment of some of them, and we may be well along the road to a solution in some of them.

I would not in any way wish to disparage the great progress that has been made, nor discourage, nor fail to support to the utmost, even greater research into the causes and prevention of these diseases of mankind.

Yet, it is all too evident that at the present time these diseases continue to be, and probably will continue to be for some time, a tremendous burden upon the families of our Nation as they attempt to meet the costs of providing the medical care which long-continued illness places upon them. Indeed, the very fact that we are now able in some degree to treat many of these diseases and prolong human lives but increases the problem of providing adequate care and meeting the rising cost of hospitalization. Extended hospitalization and medical attention prove exceedingly costly, and such costs are mounting.

What families today—with one of their number suddenly stricken—can afford from their own resources to pay an average of $4,380 involved in the hospitalization of a chronic heart patient for 1 year—or the monthly cost at a cerebral-palsy center offering the full range of medical, psychological, and social services, averaging as much as $750 per child—or the heavy cost per year in keeping a seriously involved polio case in an iron lung?

Or if from their own resources, and those of relatives, they can meet the costs of such illness, at what cost to them in financial readjustment, lowered standard of living, interrupted schooling, uprooted children, loss of lay-away for old age, or assumption of the breadwinner's role by someone else?

STUDY OF HOW TO MEET THE COST OF MEDICAL AND HOSPITAL CARE

With such background, as I have set forth, the committee next undertook as part of its inquiry, the study of just what protection against these costs are now available to the individual family in our Nation. Last October we heard from various insurance companies which write insurance on an individual or group basis. Last January we heard from the sponsors and administrators of many group plans, from labor unions, from private clinics, from the Blue Cross, Blue Shield, New York health plan, the St. Louis Institute, the Kaiser Foundation, Group Health Association, and others. In addition, we have heard various proposals as to what can or should be done by members of health commissions, foundations, and others.

It has seemed to me, however, that no one should be in a better position to set forth for us a concrete proposal of just what can be done to provide a real and adequate protection against these costs than the medical profession itself, as represented in its official organization, the American Medical Association. This is an association that comprises many thousands of men who have dedicated their lives to the mitigation of human suffering—men devoted to making available the best of medical care to all of our people, regardless of their economic status. The committee looks hopefully and expectantly to all our devoted men and women who, by profession and study, are so well qualified to assist us in this great undertaking, whether they be members, or not, of the AMA or any other similar organization.

BILL, H. R. 8149, NOW UNDER CONSIDERATION IS A SUBSTITUTE FOR H. R. 7141 AND EMBODIES THE COMMITTEE AMENDMENTS TO THE LATTER—IT IS THE FIRST OF THE BILLS TO EFFECTUATE THE PRESIDENT'S HEALTH PROGRAM

As already stated, the bill now before us for consideration (H. R. 8149) is the first of a series of bills designed to make effective the recommendations made by the President in his special health message to Congress.

It was reported unanimously by the Committee on Interstate and Foreign Commerce and, in that connection, I wish to take this opportunity as chairman of the committee to express my very great appreciation to the members of the committee, both minority and majority, for the wholehearted and sincere consideration they gave to this bill, and, the conscientious effort they made to make this proposed legislation a worthwhile solution to that part of the overall problem that confronts us.

The total absence of any partisan consideration is not only most gratifying with respect to this particular piece of legislation, but, it is also characteristic of the fine spirit of public service, free of partianship, that has always actuated the membership of this important committee in fulfilling its varied and numerous responsibilities.

BILL AMENDS HILL-BURTON HOSPITAL CONSTRUCTION ACT

The bill comes before us as an amendment to the hospital survey and construction provisions of the Public Health Service Act, widely known as the Hill-Burton Act. This original act carries the names of two distinguished Senators as coauthors of the bill. Without any thought of disparaging in the slightest degree the fine work that was done by Senators HILL and Burton in the original enactment of the legislation and with which I am very familiar, yet it is not amiss that I should call attention likewise to the fine and constructive part that was taken by our colleague the gentleman from Tennessee [Mr. PRIEST] in connection with the introduction and enactment of that fine piece of legislation. And, in my opinion, the bill should have likewise carried his name in due recognition of the keen interest he took in the legislation by introducing the original bill and working zealously until it was finally adopted.

I am certain it must be very gratifying to the gentleman from Tennessee [Mr. PRIEST], who had such an important part, as it is to those of us who had a lesser part, to realize that with the passing of the intervening years, since its adoption in 1946 and the present time, it has been so unanimously conceded to have been one of the finest pieces of legislation this Congress has passed and, particularly so with respect to the formula adopted, as a basis for the extension of Federal aid and State participation.

Because of the exceedingly favorable attitude toward the provisions of that bill and the fine results of State participation under its wise and equitable provisions, it was natural and appropriate that the committee should adopt the same policy and principles that are part of the Hill-Burton Act to be likewise the basic policy and principles of this proposed legislation (H. R. 8149) as it seeks to expand and extend the original act to cover the facilities provided for in this bill now before us.

PURPOSE OF PENDING BILL

This bill seeks to amend title VI of the Hill-Burton Act by, first, authorizing appropriations for grants to the States for surveying the need for hospitals for the chronically ill and impaired, nursing homes, diagnostic or treatment centers, and rehabilitation facilities, and for developing State programs to meet that need; second, authorizing appropriations for grants to assist in paying part of the cost of construction by public and other nonprofit agencies of needed facilities.

It is pleasing to note that President Eisenhower in his message to Congress on the health needs of the Nation has called the attention of the Congress and the people of the Nation to the serious problem with which H. R. 8149 is intended to cope, namely, providing additional facilities for the diagnosis, treatment, nursing care, and rehabilitation of chronic and other diseases.

The vehicle by which these additional facilities are to be built is an expansion of the hospital construction program under the Hill-Burton law, which has proved so successful since its inception in 1946. Since that date approximately 2,200 construction projects have been approved under that law, utilizing $600 million of Federal funds and more than $1¼ billion of State, local, and other funds. Thus two non-Federal dollars have been spent for every Federal dollar made available for hospital-construction purposes under that act.

A total of 106,000 hospital beds have been constructed or have been approved for construction. In addition, 446 public-health centers and many facilities related to hospitals, such as nurses' homes, treatment facilities, and laboratories have been constructed or approved for construction.

The major emphasis, however, in the program thus far has been placed on the construction of general hospital beds used for general medical and surgical patients. Of the 106,000 beds which have been provided with Federal aid, 86,000 beds have been of this general character. Of the remainder, 11,000 have been mental, 6,000 have been tuberculosis, and only 3,000 have been chronic-disease beds.

Current State plans prepared as required by the Hill-Burton Act indicate that at the present time about 70 percent of our national need for general hospital beds has been met, both through construction under title VI of the Hill-Burton Act and through private construction undertaken without the assistance of Federal funds.

NEED EXISTS FOR FACILITIES BEYOND GENERAL HOSPITALS

However, the tremendous need for other types of facilities now authorized under title VI of that act, namely chronic-disease hospitals, outpatient departments in hospitals for diagnosis and treatment of ambulatory patients, and rehabilitation facilities for the physically handicapped, has not been similarly met. Furthermore, title VI of the present Hill-Burton Survey and Construction Act does not authorize the construction of diagnostic or treatment centers and rehabilitation facilities separate and apart from hospitals, and nursing homes are not covered at all by the present program.

Your committee felt that from the testimony presented before it, the Hill-Burton Act should be expanded to cover the needs I have mentioned. Consequently, it considered and reported H. R. 8149, which will materially assist in providing the badly needed facilities for diagnosis and treatment of ambulatory patients and appropriate nursing care for those who are chronically ill and rehabilitation for those impaired.

As I have stated, several of the types of facilities covered by the new part G which would be added to existing law by H. R. 8149 are not new to the hospital survey and construction program. Rehabilitation facilities and diagnostic or treatment facilities, where part of a hospital, and chronic-disease hospitals are now eligible under the existing program. However, each of these, with the exception of chronic hospitals, were required to be constructed in connection with a hospital. Thus, the purpose of including these types of facilities under the new part G is to provide a greater stimulus for their construction, either separate from or in connection with a hospital, by specifically earmarking funds for that purpose and permitting a higher rate of participation in Federal funds.

APPROPRIATIONS AUTHORIZED

First. For inpatient care:

H. R. 8149 would authorize for each of the three remaining fiscal years of the present program, which ends June 30, 1957, an appropriation of $20 million specifically for grants for the construction of public and other nonprofit hospitals for the chronically ill and impaired. The bill would also authorize the appropriation for the same 3-year period of $10 million annually for grants for the construction of public and other nonprofit nursing homes in which patient care is under medical supervision.

Chronic-disease hospitals and nursing homes together would provide additional beds for the increasing number of persons with long-term illnesses who require bed care but who do not need care and facilities as expensive to construct and operate as general hospitals or who can be taken care of in nursing-home beds because they do not require the intensive medical and nursing care provided in hospitals.

Second. For outpatient care:

In addition to the above authorization for the construction of facilities for inpatient care, H. R. 8149 authorizes the appropriation for the same 3-year period of $20 million annually for grants for the construction of public and other nonprofit diagnostic or treatment facilities. Under the bill, applicants for such facilities must be public or nonprofit hospitals or a State, political subdivision, or public agency. Because such diagnostic or treatment facilities are designed to serve ambulatory or outpatients by providing preventive health services, they help to decrease the need for expensive inpatient care.

Finally, the bill contains an authorization for the appropriation within the same 3-year period of $10 million annually for grants for the construction of public and other nonprofit rehabilitation faciilties. It is hoped that the services provided in such facilities will make many handicapped and impaired persons self-supporting and thus remove them from the public-assistance rolls on which many of them have been carried over long periods of time.

Third. To assist States in making survey of needs:

Following the precedent of the Hill-Burton Act as originally enacted, H. R. 8149 authorizes an appropriation for grants to assist the States in surveying the existing facilities in the four categories covered by the bill, which I have just discussed, and in developing revised State plans and construction programs. The aggregate amount so authorized to be appropriated is $2 million, and any amount appropriated would remain available until expended. The amounts appropriated would be allotted among the States on a population basis, but the minimum allotment for any State would be $25,000. The State would be required to match these funds on a dollar-for-dollar basis.

The importance of this survey and planning provision cannot be too strongly emphasized. The surveys made under the present law have contributed greatly to the success of the program.

In recommending this authorization for grants to assist the States in making these surveys, your committee recognizes the significance of this aspect of the program and the fact that such surveys and plans serve as a firm foundation for the wise expenditure of the construction grants authorized in the bill.

POLICY OF HILL-BURTON ACT WITH RESPECT TO CONSTRUCTION GRANTS CARRIED INTO NEW BILL

Mr. Chairman, now let me explain at this point very briefly the philosophy and operation of the Hill-Burton law. The philosophy of that act is that the Federal, the State, and the local governments all have a concern in the health of our people. The Hill-Burton Act, therefore, provides for a cooperative program involving all levels of government and nonprofit organizations concerned with health problems. This program has been pointed out as a model for joint participation by Federal, State, and local community groups. Under this program the Federal Government provides matching funds to the States to keep current surveys of their existing hospital and related facilities in five major categories—general hospitals, mental hospitals, chronic disease hospitals and tuberculosis hospitals, and public health centers, and to plan for meeting these needs with new construction.

The act then provides additional funds for construction grants to the States in order to stimulate such new construction as the States determine to be necessary and which have secured approval of the Surgeon General under the provisions of the Hill-Burton Act and regulations issued thereunder.

The Federal money appropriated under the Hill-Burton Act is distributed among the States in accordance with a formula—sections 624 and 631 (a)—which takes into consideration population and the annual average income of the State in relation to the annual national income. This formula, to the working out of which the late Senator Robert A. Taft contributed greatly, constitutes a living monument to sound reason and healthy compromise. This formula has worked out so successfully that other bills now pending before this and other committees of the House seek to make this formula the basis for other Federal grant-in-aid programs.

On the basis of this formula, the State allotment is determined annually of funds appropriated under the Hill-Burton program. It is left to the option of the States within certain limits provided under the law what the Federal share for hospital construction projects shall be for particular projects within the State. In other words, the Federal share determines how much of particular construction projects is to be paid for by

the Federal Government out of the State allotment and how much by the sponsor of the project, which may be a State or local subdivision or a nonprofit organization.

Under the present law, the States have the following options with regard to the use to be made of the State allotments. A State may either vary within the State the Federal share within the range of one-third to two-thirds of the total construction cost of the project or the State may provide that the Federal share shall be a flat percentage within the range from one-third to two-thirds of the total project cost, but not in excess of the State's allotment percentage.

With respect to the four categories of facilities covered by the new part added by H. R. 8149, another alternative would be afforded to the States—that of choosing a flat Federal share of one-half of the cost of construction.

REASON FOR EXPANDING HILL-BURTON TO THE FOUR CATEGORIES UNDER PART G OF BILL

Let me now, Mr. Chairman, after discussing in general terms the provisions of H. R. 8149, briefly turn to each of the four categories provided for under this bill.

CHRONIC DISEASE BEDS AND NURSING HOMES

I mentioned earlier in my statement the great demand for facilities for the chronically ill which has been brought about by the tremendous increase in the old-age group of our population in relation to the rest of the population. This increase in the number of aged persons has contributed to the incidence of chronic diseases and long-term illness. Beds for the chronically ill may be made available either in chronic disease hospitals or in nursing homes, depending upon the degree of medical and nursing care required by the patients. To date only 12 percent of the national need has been met for beds in chronic disease hospitals and, as already pointed out, the present program under the Hill-Burton Act does not cover nursing homes. Information as to the extent of the need for nursing-home facilities in each area and community in the country will be developed by the surveys to be conducted pursuant to this legislation.

As I have already mentioned, the hospital construction program under existing law has satisfied approximately 70 percent of our national need for general hospital beds. The availability of additional chronic disease beds and of nursing-home beds would not only help to meet the great need for these beds on the part of the chronically ill, but would also tend to make more readily available, for acute-patient care, beds in general hospitals now occupied by chronically ill or long-term patients. Therefore, a stimulus to the construction of chronic disease hospitals and nursing homes will also improve our national situation with regard to general hospital beds.

The emphasis on the construction of chronic disease hospitals and nursing homes is also a matter of economy. It is important to note that beds in chronic disease hospitals and in nursing homes are less expensive to build than general hospital beds. Thus, with such Federal funds as will be available, more chronic disease and nursing-home beds can be constructed for every dollar expended than is the case with general hospital beds.

Furthermore—and this is of great importance to our States and local communities—the cost of maintenance and operation of chronic disease hospitals and nursing homes is considerably lower than the cost of maintaining and operating general hospitals. Many communities are unable to support general hospitals because of the high cost of maintenance and operation. As a rule of thumb, the Public Health Service estimates that the annual cost of operating and maintaining a general hospital amounts to one-third of the cost of construction of such general hospital. In other words, assuming that a community builds a small hospital which costs $750,000, the estimated cost of operation and maintenance is $250,000 annually, so that every 3 years the community will spend in cost and maintenance the equivalent of the total cost of construction of that hospital.

Compare with this the cost of maintaining and operating chronic disease hospitals. Testimony before the committee indicates that long-term patient care in chronic disease hospitals averages $6.63 per patient-day as compared with the average operating cost of $18.35 per patient-day in general hospitals. This lower cost of operation and maintenance of chronic disease hospitals, and, even less for nursing homes would reduce considerably the financial burden borne not only by chronically ill patients but also by States and local governments and nonprofit organizations to the extent that they, rather than the patients, must bear the cost of operation and maintenance of facilities for long-term patient care.

FACILITIES FOR AMBULATORY PATIENTS

Under the existing Hill-Burton program, relatively little attention in the aggregate has been given to out-patient departments of hospitals and to other types of facilities for the diagnosis and treatment of ambulatory patients not requiring bed care. Such diagnostic and treatment clinics are essential to a complete medical service in the community.

By emphasizing the preventive aspect of modern medicine, this type of facility helps to decrease the need for the much more expensive in-patient hospital bed care.

There are communities, moreover, which presently do not have hospitals and where the likelihood of hospitals being constructed is remote, because the communities in question are financially unable to build and maintain hospitals. It is expected that in those communities the construction of diagnostic or treatment centers will make more readily available health services that otherwise would be available only in urban centers far removed from such communities.

REHABILITATION FACILITIES

As I have stated, rehabilitation facilities which are a part of the hospital are now included among the facilities authorized under the existing Hill-Burton program. However, rehabilitation facilities separate and apart from hospitals are not included in the existing Hill-Burton Act. Your committee believes that additional rehabilitation facilities are needed. The testimony received by your committee greatly underlines the need for additional rehabilitation facilities, and your committee believes that such additional facilities should be provided through the mechanism of the Hill-Burton program in the manner provided by the bill now before us. In the first place, services provided in a rehabilitation facility are in many respects an extension of the treatment and the services provided in a hospital. Secondly, it is both logical and economical to utilize the established administrative machinery and experience of the Public Health Service and of the State agencies now administering the Hill-Burton program. Third, rehabilitation facilities have many construction features and render some services comparable to those of hospitals and related health facilities. Fourth, the construction of additional rehabilitation facilities is a factor which will tend to reduce the demand for hospital and nursing home beds.

Rehabilitation of disabled individuals is important, not only because of humanitarian considerations, but also because of the resulting economic benefits. Rehabilitation of an individual to the point where he can at least care for himself is an important step in relieving the economic burden on families and the patient load in hospitals and nursing homes. Rehabilitation for employment has a direct effect in reducing governmental relief expenditures in those instances where disabled persons have been carried on the public assistance rolls. Furthermore, disabled persons returning to work contribute to the support of Federal, State, and local government through the payment of taxes.

In connection with the provisions for rehabilitation facilities contained in House bill 8149, I would like to call attention to a provision contained in the bill which may be of particular importance in connection with the construction of a regional rehabilitation center instead of several smaller State rehabilitation centers. This provision, which is likewise applicable in the case of other facilities authorized under part G, is contained in section 654 (b). This provision recognizes that there may be instances where 2 or more States would be interested in the construction of a project which would serve population groups in a region not limited to a single State and that it is desirable to permit 2 or more States to act jointly to that end. Therefore, section 654 (b) provides that a State may file a request with the Surgeon General that a specified portion of any allotment to it under the new part G for any type of facility be added to the corresponding allotment of another State. This addition to the allotment of another State or several other States could be used to meet a portion of the Federal share of the cost of construction of a facility of that type in another State.

SUMMARY AND CONCLUSION

This completes my discussion of the principal provisions of House bill 8149.

The Committee on Interstate and Foreign Commerce gave most careful consideration to this legislation. Originally, immediately following President Eisenhower's message on health, I introduced House bill 7341, which was referred to our committee, and hearings were held on that bill. The Secretary of Health, Education, and Welfare, in whose Department the bill had been drafted, and numerous other witnesses testified or presented information for the record in support of the bill. After the conclusion of the hearings, your committee considered the bill in executive sessions, and a number of amendments were adopted, which clarify or implement the objectives sought to be attained but which in no way are in conflict with the basic objectives of the bill as introduced. Rather than report a bill with amendments, it was decided that a new bill should be introduced embodying the provisions of the original bill, together with the amendments, and it is this new bill, H. R. 8149, that the committee has reported to the House, and which is now before us for consideration.

As I have stated, the bill was reported unanimously. The present bill, H. R. 8149, as well as the extensions of the original Hill-Burton Act by the 81st Congress in 1949 and by this Congress in 1953, constitute a reaffirmation of the soundness of the original program. The committee is now recommending to the House an expansion of the program. This expansion incorporates the basic features of the original program, but makes possible the construction of health facilities which are urgently needed by this Nation.

The original Hill-Burton Act has proven to be an outstanding success. There is no reason to believe that the expansion of the original Hill-Burton program recommended by this committee in House bill 8149 should not be similarly successful. Certainly, the need for the additional facilities provided for in House bill 8149 is just as great, if not greater, than was the need for hospital beds provided for in the original categories included in the Hill-Burton program.

In conclusion, I emphasize again the need for all the facilities that this bill provides for, namely: First, diagnostic and treatment centers; second, hospitals for the chronically ill; third, nursing homes for the aged and convalescents; and, fourth, rehabilitation centers. Each of these will tend to relieve our over crowded hospital facilities and provide a means not only of more adequately caring for the ill and aged, but also diminish the burdensome cost of medical and hospital attention.

This bill deserves, and I hope it will receive, the favorable consideration of Congress and thereby assure our people of a congressional desire to provide medical facilities that will promote the health and welfare of our people, mitigate suffering, and lessen the burden of long-term illness.

I consider it a great privilege to recommend to this House the adoption of this measure, which has the approval and active support of the Secretary of Health, Education, and Welfare and which is designed to carry out one phase of President Eisenhower's health program, and which, if adopted, will undoubtedly be of great benefit to your people.

Mr. SEELY-BROWN. Mr. Chairman, will the gentleman yield?

Mr. WOLVERTON. I yield to the gentleman from Connecticut.

Mr. SEELY-BROWN. Could the gentleman advise us as to whether or not there is contained in the bill any legal language defining what is meant by the term "nonprofit"?

Mr. WOLVERTON. Yes. There is no doubt about that.

Mr. SEELY-BROWN. I thank the gentleman.

Mr. CRETELLA. Mr. Chairman, will the gentleman yield?

Mr. WOLVERTON. I yield to the gentleman from Connecticut.

Mr. CRETELLA. I want to compliment the gentleman for the very fine presentation he gave. I would like to ask the gentleman a question dealing with nonprofit agencies and I also want to ask one dealing with nursing homes. In our State of Connecticut nursing homes are licensed by the State, and inquiries have been directed to me as to whether or not they come within the purview of this act and be recipients of benefits under the act.

Mr. WOLVERTON. Unless nursing homes are operated on a nonprofit basis they would not come within the purview of the act.

Mr. CRETELLA. They are privately owned and maintained and do take care of many of the chronically ill. The gentleman's answer is that they do not come within the act?

Mr. WOLVERTON. That is true.

Mr. FRELINGHUYSEN. Mr. Chairman, will the gentleman yield?

Mr. WOLVERTON. I yield to the gentleman from New Jersey.

Mr. FRELINGHUYSEN. I, too, would like to congratulate the gentleman on his presentation of this bill, the general purposes of which there is no argument about, I feel sure. I should like to ask him why it is that hospitals for the chronically ill should not include treatment for the mentally ill or tubercular patients. Would the gentleman care to comment on why those groups are excluded?

Mr. WOLVERTON. In the first place, there is provision under the original Hill-Burton Act for the construction of hospitals of the character that the gentleman has mentioned. In the second place, it was recognized by the committee that in all States and in many communities the importance of mental hospitals and tuberculosis hospitals has been well recognized. Therefore, there was not that immediate need that they should be included in this particular part. We selected only those instances where there was a lack and therefore the necessity for a more extensive construction program.

Mr. FRELINGHUYSEN. I thank the gentleman.

Mr. CRETELLA. Mr. Chairman, will the gentleman yield further?

Mr. WOLVERTON. I yield.

Mr. CRETELLA. Again, coming back to this nursing home question, on page 7, am I correct in assuming that a State desiring to take advantage of this particular act may include private nursing homes under the scope of the act if action is taken by the State?

Mr. WOLVERTON. No. The intention is "nonprofit" entirely under the act with reference to nursing homes. I might say there is other legislation to follow that could prove beneficial to private nursing homes in the event the committee reported it favorably and it is adopted by the House. I refer to H. R. 7700.

Mr. DURHAM. Mr. Chairman, will the gentleman yield?

Mr. WOLVERTON. I yield to the gentleman from North Carolina.

Mr. DURHAM. I, too, would like to congratulate the gentleman from New Jersey, for he usually brings out very sound legislation here on the floor of the House, and I concur in his viewpoint that this legislation should be adopted. There is one question that troubles me somewhat and that is as to whether or not the committee endeavored to define the word "facilities." What I am asking is whether or not the committee decided to try to in any way define the word "facilities," and as to how far that extended, because I notice that you carry that term in all of your categories here. So that there would be no confusion as to a cooperative program, may I ask whether or not that would include an X-ray machine or whether or not it would include some other facility, and as to how far that extends in this bill?

Mr. WOLVERTON. If the gentleman will examine the definitions that are given in the bill with reference to the different types of projects that are mentioned—I was about to term them "facilities"—such as diagnostic and treatment centers, and so forth, the definitions that are made in the bill are very complete, in my opinion. Speaking for myself, I think I am justified in saying that it would include the equipment of these hospitals.

Mr. DURHAM. As ordinarily used in a diagnostic clinic?

Mr. WOLVERTON. That is my opinion.

Mr. DURHAM. I think it should be well understood, that it is not just a four-wall thing given to the community without any facilities whatever.

Mr. WOLVERTON. I agree with the thought you have just expressed.

Mr. HINSHAW. Mr. Chairman, I yield 5 minutes to the very distinguished gentleman from Pennsylvania [Mr. SCOTT], formerly a member of this committee.

Mr. SCOTT. Mr. Chairman, the major factor which leads to this legislation, as I see it, is the tremendous increase in the population of our senior citizens, who have increased their numbers in the period from 1900 to 1950 from 3 million to 12 million persons, while at the same time the general population has only doubled. This has contributed to the incidence of chronic diseases, to the growth of such diseases as cancer and heart disease, and is affected by the fact that the medical and hospital care

required for persons over the age of 65 is on the average twice as much as that required for persons under that age.

The purpose of the new emphasis in this bill, as the committee report states, is to stimulate and accelerate the construction among other things of hospital beds for the increasing number of persons with long-term illnesses who require hospitalization but who do not need care in facilities as expensive to construct and operate as general hospitals.

The estimated per-bed construction cost, for example, of a general hospital is $16,000, for a chronic disease treatment hospital $13,000 per bed, and for nursing homes $8,000 per bed. The funds authorized in this bill will provide 2,770 beds for chronic patients, 2,260 general, and in nursing homes 2,250 for nursing patients and 1,125 general. Because some of these facilities are designed to serve ambulatory or outpatients and to provide preventive health services, they help to decrease the need for in-patient care.

Diagnostic or treatment facilities operated in connection with hospitals are now covered as out-patient departments of hospitals under title VI. However, the provisions of the bill represent an expansion of the present program insofar as they provide for eligibility of diagnostic or treatment facilities not connected with hospitals. Under the bill an applicant for a diagnostic or treatment center must be either a State, political subdivision, or public agency, or a corporation or association which owns and operates a nonprofit hospital.

Mr. Chairman, the program of this administration has been well stated to be, in relation to the problems that affect human beings, liberal, and in relation to economic matters, conservative. The program as represented in the President's state of the Union message, and this is the first bill under the health section, well meets the President's own definition of the program of his administration.

This bill is progressive legislation, in that it seeks to deal adequately with the growing and increasingly serious problem of chronic diseases, and with the human challenges which are brought about by the increasing number of our senior citizens. It is conservative in that, as I read to you in one particular, for example, features of this bill would tend to decrease the need for inpatient care, would tend to decrease the number of illnesses affecting our citizens, particularly our senior citizens, would conserve the health of the Nation, and in so doing—since so much time and employment and property is lost through illness—it would conserve the economy of the Nation and the tax dollar of the individual. This bill therefore is in the liberal tradition in its method of meeting human concerns. It is conservative in that it will strengthen the economy, ultimately increase the economic product of healthier citizens and therefore increase the revenue to the Nation.

Mr. JAVITS. Mr. Chairman, will the gentleman yield?

Mr. SCOTT. I yield to the gentleman from New York.

Mr. JAVITS. I think the record should show that our colleague who is speaking was one the sponsors of the national health program which originated in the 81st Congress. That program was the precursor of this legislation, and of the administration's health program. It was sponsored by the following Republican Members of the House in the 81st Congress by our colleague Mr. Auchincloss, of New Jersey, our former colleague, Mr. Case, also of New Jersey; Mr. Fulton, of Pennsylvania; Mr. Hale, of Maine; and now Governor Herter, of Massachusetts; Mr. Morton, of Kentucky, who is now Assistant Secretary of State; Vice President Nixon and myself; and in the 83d Congress by myself and Mr. Hale and the Member now speaking, Mr. Scott, of Pennsylvania.

Mr. SCOTT. I thank the gentleman. It demonstrates that the members of the Republican Party have been foresighted for quite a long time.

Mrs. FRANCES P. BOLTON. Mr. Chairman, will the gentleman yield?

Mr. SCOTT. I yield.

Mrs. FRANCES P. BOLTON. Has the committee made any study at all of the fact that the Blue Cross does not support the specialized hospitals?

Mr. SCOTT. I would prefer that the gentlewoman from Ohio ask that question of a member of the committee.

Mrs. FRANCES P. BOLTON. I shall be very happy to. I thank the gentleman.

Mr. SCOTT. I am not a member of the committee which brings in this bill.

Mr. CROSSER. Mr. Chairman, I yield 15 minutes to the gentleman from Tennessee [Mr. PRIEST].

Mr. PRIEST. Mr. Chairman, I am very happy to join the distinguished chairman of my committee in presenting this legislation to the House today, and in urging its passage. I would be less than human if I did not express to my chairman my personal appreciation for the kind remarks he made in connection with my part in the development of the original legislation. No one has worked more deligently in this field than the gentleman from New Jersey [Mr. WOLVERTON]. My thoughts returned to the summer of 1946 when the Committee on Interstate and Foreign Commerce reported and the House passed two extremely important pieces of legislation. In July of that year, the committee reported and the House passed the Mental Health Act, which I think has perhaps in the long run accomplished more for the amount of money appropriated than any other act in the health field. In August of that same year, 1946, the committee reported and the House passed the Hospital Construction Act, a program based on an authorization of $150 million a year for a 5-year period. That act has subsequently been amended in some minor matters and has been extended beyond the date of its original expiration. The committee presents today a bill which will in some respects expand the provisions of the original Hospital Construction Act. I think it would be fair, however, to state to the House that it is not an entirely new program that we bring before the House today. The able chairman of the committee has very well explained the four categories with which the bill deals.

When the President's health message was read in this Chamber, I stated at the time that I could give it my indorsement because in the main it was an approval of the program inaugurated and passed by the Democratic administration, and one with which I had been very closely identified as chairman of the subcommittee in the past.

I think it should be pointed out at this time, and made a part of the RECORD, that three of these categories are included in the original Hospital Construction Act, but they are not in that connection as flexible as the provisions are in the bill we are now considering. For example, the original Hospital Construction Act does provide for the construction of diagnostic or treatment centers. It provides for the construction of chronic disease hospitals, and it provides for the construction of rehabilitation centers. But it requires in each case that these facilities be constructed in connection with a hospital. A great many Members, knowing that situation and realizing that those categories are authorized in the original act, have questioned as to why it was necessary to bring in a new act. The difference, in that respect, in the pending bill, is that these facilities, under the provisions of this bill, may be constructed, without being necessarily related to a hospital.

If a community, where the need is shown and where finances are available, desires to construct a home for chronic disease patients, whether there is a regular hospital in that community or not, that community, if the State agency approves, may construct, or may obtain matching funds under this proposal for construction of such a hospital, or for a diagnostic or treatment center, although it may not be in connection with a general hospital. Those provisions are expanded in the pending legislation.

The chairman has already explained the appropriations that would be made available. There are $2 million authorized for a survey of the needs in these new categories. This survey would follow in general the type of survey that has been made under the original act for general hospitals. It would enable the States to determine those communities in which there is an inadequacy in these particular fields, and to develop a State plan for presenting to the Surgeon General and the Secretary of the Department of Health, Education, and Welfare.

The administrative procedure under this legislation is very similar to that under the original Hospital Construction Act. Most of the responsibility is placed at the State level, as was true in that act, and the State agencies in charge must develop a plan. They must submit that plan and that plan must, of course, meet certain minimum standards set forth in the original act and standards under regulations issued by the Surgeon General and the Secretary pursuant to the act.

The formula for the allocation of funds in the present bill is the same

formula that has proved to be so very successful in the Hill-Burton Hospital Construction Act.

Mr. JONAS of Illinois. Mr. Chairman, will the gentleman yield?

Mr. PRIEST. I yield to the gentleman.

Mr. JONAS of Illinois. Will the gentleman be good enough to explain briefly what he understands to be the significance in the language in paragraph 1, page 5, line 21, where it says, "$20 million for grants for the construction of public and other nonprofit diagnostic or treatment centers"?

Before the gentleman answers, may I ask, Is this designed to build clinics in connection with existing hospitals, or may they be constructed as original projects, and is it also designed to enlarge upon a number of these cancer clinics that we have now that are so valuable in research work?

Mr. PRIEST. May I say to the gentleman that I am glad he asked that question. It is in line with some of the things I intended to explain concerning the provisions in the bill. This $20 million for grants for the construction of public and other nonprofit diagnostic or treatment centers is primarily for the construction of such centers, not in connection with hospitals, although because of the provisions in the original act which also authorized diagnostic or treatment centers, it may be possible that some of the funds could be used in that connection if it is an addition to an existing hospital.

This is primarily an additional authorization for an additional amount of $20 million to be used for the construction of diagnostic and treatment centers primarily not in connection with a hospital because those in connection with hospitals are already authorized under the original act. We authorized the expenditure of $150 million annually, although I regret to say that the Bureau of the Budget for this year has recommended an appropriation of only $50 million.

Mr. JONAS of Illinois. Mr. Speaker, if the gentleman is short of time, I will be glad to yield him my 5 minutes if he will yield for a question or two.

Mr. PRIEST. I shall be glad to yield to the gentleman from Illinois.

Mr. JONAS of Illinois. I want to say, if I have not already said so, that I thank the gentleman from Tennessee for this very specific and timely explanation he has made; but I want him, if he will, to direct his attention to the second item, the $20 million for grants for the extension of private and nonprofit hospitals for the chronically ill.

I am wondering whether the Members here have taken into consideration or have any conception of what is meant by the phrase "chronically ill." Those are in many instances, I understand, cases that are mobile, that are still able to be around, but they are afflicted with a long, progressive disease such as arthritis, heart conditions, nephritis, and so on; they are not sick enough to be on their back all the time but still are too sick to be left without some kind of care. This item is $20 million granted for that, but is this money to be made available to institutions that are already in existence in connection with hospitals, or is it to be used to build private institutions for the care of the chronically ill?

Mr. PRIEST. It may be available for both or either. It is available, for instance, if you have in your area a general hospital and the State agency in charge of the administration of the program at the State level, and the sponsoring agencies within a community, desire to add a new wing to a hospital and call it a hospital for the chronically ill, they may do so.

Mr. JONAS of Illinois. May I pursue the subject matter further with an additional question?

Mr. PRIEST. Certainly.

Mr. JONAS of Illinois. I wish to call attention to that section of the bill which provides for the construction of private and nonprivate nursing homes. I think this is in a state of confusion and it is hard to tell just what is meant. It does not mean nurses' homes that are affiliated with hospitals for the residence of nurses in training.

Mr. PRIEST. No.

Mr. JONAS of Illinois. It has reference to institutions such as we are familiar with and know as private nursing homes or convalescent nursing homes generally operated by private enterprise and not always nonprofit.

Mr. PRIEST. If they are not in the category of nonprofit homes they would not be eligible to be included in a State plan requesting aid.

If they are privately owned but are nonprofit they would meet the conditions set forth.

We must bear in mind the fact that it is but a small amount of money, $10 million, to be matched in the 48 States. When it is spread over that many States on a matching basis it is not going very far, and we might just as well recognize that fact. But I think it may serve as an impetus to States to develop some nonprofit public nursing homes where there is a need. The need question, of course, must first be determined. If a survey is made and in a particular community the State agency making the survey finds that there are adequate nursing homes there privately operated then that community would not be eligible, for it must be shown that there is an inadequacy that cannot be reasonbly expected to be met in the near future.

Mr. JONAS of Illinois. What confuses me is this: If it is a nonprofit organization or has not affiliated with an organization that operates for profit, as so many nursing homes do, this nonprofit organization as contemplated under this section of the bill it would have to originate in the city, county, township, or State, would it not?

Mr. PRIEST. Not necessarily. It might be a church group, for example, just as they operate hospitals. In my hometown, two of the largest hospitals are operated by religious groups. It might be that sort of a corporation.

Mr. JONAS of Illinois. A religious group could make the application, but if they did and they received Government funds, they would be responsible for the cost of operating and maintenance?

Mr. PRIEST. That is correct.

Mr. JONAS of Illinois. And the Government would merely contribute money for construction?

Mr. PRIEST. Yes. There are no funds provided here for maintenance and operation.

Mr. JONAS of Illinois. I thank the gentleman. I am for this bill. I appreciate the information the gentleman has given me.

Mr. BATES. Mr. Chairman, will the gentleman yield?

Mr. PRIEST. I yield to the gentleman from Massachusetts.

Mr. BATES. Will the gentleman state to the committee whether it is contemplated utilizing the revised split project technique in this proposal as used currently under the Hill-Burton Act?

Mr. PRIEST. I did not understand the gentleman.

Mr. BATES. Is the gentleman familiar with the new split project technique?

Mr. PRIEST. Does the gentleman mean by "split project technique" the variable formula?

Mr. BATES. I mean specifically this: At the present time when the State distributes funds it will say: "We will give you half this year, then in the event of the Congress next year appropriating the money, we will give you the rest of it" which sets up a contingent liability as far as the municipality or private concern is concerned.

Mr. PRIEST. I yield to the gentleman from Arkansas [Mr. HARRIS] to answer that question.

Mr. HARRIS. I think what the gentleman refers to is what has been followed as a practice in the Public Health Service with reference to split projects, which means that a project for hospital construction would be approved within a given State, so much money is made available for that project this year, of course anticipating additional funds being made available next year. Is that what the gentleman has in mind?

Mr. BATES. That is precisely it.

Mr. HARRIS. As of November last year, in view of language in the Appropriations Committee report for this fiscal year, 1954, the Public Health Service ceased approving any more split projects within States.

Mr. BATES. As of when?

Mr. HARRIS. Last November.

Mr. BATES. As a matter of fact, during the last 2 or 3 months I have had an instance come to my attention where a municipality wanted to get a hospital established that was on the revised split-project technique. The difficulty encountered was this: They could not commit a future town meeting to a contingent liability, therefore they could not take advantage of the funds.

Mr. HARRIS. The procedure has been in effect for several years, but there has been some objection on the part of certain Members of Congress, particularly of the Appropriations Subcommittee. In view of that objection and in view of the controversy that we have had over it for the last year or so, the Public

Health Service advised our committee only recently that as of November they were not approving any more projects.

Mr. BATES. Then under the present regulations the State in many cases will allocate merely a portion of the funds that they expect to get from the Federal Government. The difficulty arises in this respect: They only give half of it this year and they say next year if the Congress appropriates the money they will give you the rest of it. Now, the municipalities cannot operate in a manner like that.

Mr. PRIEST. Insofar as any addition to the act is concerned, there is no change. There is nothing written into the law on that subject. It has been largely a question of policy in the States and with the Department of Health, Education, and Welfare. I agree with the gentleman from Arkansas that we had understood that the split-project procedure had been abandoned. Of course, what the State agency does insofar as allocating funds to a project which has been approved in the State, there is no control that we can have over that in this particular legislation. Nor can the State always anticipate what the appropriation each year will be. That is particularly important, I think, where the State may be the sponsor of a project and in which its own appropriations are on a biennial basis rather than on an annual basis.

Mr. BATES. What the gentleman says is correct, that the old split-project technique is no longer employed.

Mr. PRIEST. That is correct.

Mr. BATES. However, they still split the projects half this year and half the next year, which means that the local municipality has a contingent liability if they go ahead and start a hospital.

Mr. PRIEST. That is true.

Mr. BATES. But under the laws of many States, they are not permitted to assume a contingent liability.

Mr. PRIEST. There is nothing in this legislation nor in the original act, so far as I know—and I think I am fairly well acquainted with it—that would deal with that particular situation. It arises out of a question of policy and a question of local laws. For instance, one township cannot commit another township to action at a later date, and that is the difficulty. I do not know of any way we can handle it in this legislation. I would like to study it with the gentleman to see if it can be developed, but as it stands I do not know of any approach we can make to that in this particular legislation. I think it must be in the administrative field.

Mr. BATES. I do not want to take any more of the gentleman's time, he has been very kind, but I would like to discuss this matter over with him.

Mr. PRIEST. I shall be happy to.

Mr. BATES. But, as I see it, it is quite impossible for a municipality today to get any money under the Hill-Burton Act.

Mr. PRIEST. I appreciate that, and I shall be happy to discuss it with the gentleman.

Mr. LUCAS. Mr. Chairman, will the gentleman yield?

Mr. PRIEST. I yield to the gentleman from Texas.

Mr. LUCAS. I have enjoyed very much the remarks that the gentleman from Tennessee has made about this proposed legislation, and I want to compliment him on his understanding of the provisions of the act. May I ask the gentleman from Tennessee this question: In the attempt of the committee to preserve State control of all these operations and to keep the hands of the Federal Government out of the standards, and so forth, as set up in the act, did you purposely omit providing that the Davis-Bacon Act, providing Federal construction aid, shall apply?

Mr. PRIEST. Was it omitted?

Mr. LUCAS. Purposely omitted that it should apply.

Mr. PRIEST. I will say this to the gentleman that that particular question had not come to my attention in connection with the legislation, but the committee has been very diligent in their consideration of the legislation to preserve the local level control and administration insofar as possible.

Mr. LUCAS. It was not the intention of the committee the gentleman now serves on to provide that the Federal Government shall set standards of construction?

Mr. PRIEST. There are certain minimum requirements that are carried in the act, but it has never been the purpose of the committee that the Federal Government should set up standards of construction that are not covered in the minimum criteria set up by regulations promulgated pursuant to the act.

Mr. LUCAS. It is determined by the State?

Mr. PRIEST. There would have to be certain specifications where Federal money is allocated and expended. There must be certain standards, but I think they have proved in the original act to be very considerate, and no States have objected, so far as I know, and no local communities. I think the gentleman will agree that where Federal funds are allocated and expended, whether it is for a road program or whatever it might be, there must be certain minimum requirements, standards, or criteria. The committee has followed that viewpoint rather than the Federal Government dominating the whole picture.

Mr. Chairman, the question of the availability of adequate medical care for which the average family can pay is one of the country's top economic problems.

This bill, I believe, will help to some extent in continuing the effort to solve this problem.

Mr. CROSSER. Mr. Chairman, I yield such time as he may desire to the gentleman from Alabama [Mr. JONES].

Mr. JONES of Alabama. Mr. Chairman, the measure before us today acclaims and seeks to carry forward the objectives of one of the finest and most beneficial programs in the history of our Nation—the program for the building of hospitals, health centers, and other health facilities under the Hill-Burton Hospital Survey and Construction Act.

I want to congratulate the chairman and the members of the Committee on Interstate and Foreign Commerce on their labors in bringing this legislation before the House.

I also want to say a word of tribute to my distinguished and honored colleague and fellow Alabamian, Senator LISTER HILL, for his authorship of the act. But for his vision, his leadership, an his indefatigable labors, we would not have this measure before us today.

For a full appreciation of the extent of the contribution which the hospital-construction program has made to the strengthening of the health resources of our Nation and the improvement of the health of our people, we must realize that in 1946, when Senator HILL and his colleague, Harold Burton, of Ohio, soon to be elevated to the United States Supreme Court, first introduced the bill, the Nation had only about one-half the hospital beds needed. The shortage of hospital facilities was severest in the South. Rural areas had practically no hospitals at all.

Recognition of this fact and of the tremendous contribution which the hospital construction program has made to the building of hospitals, public health centers, and other hospital facilities in rural areas led the Progressive Farmer magazine, the leading farm journal in 14 Southern States, to name Senator HILL as "man of the year in service to southern agriculture, as the man who has done more than any other southerner to help farm people get hospitals."

The actual building of hospitals and health facilities has been going on less than 7 years. Over 2,000 hospitals, public health centers, and related facilities have been approved. Well over half are completed, open, and rendering a community service. The others are under construction or in the drawing-board stage. These projects are adding 109,000 hospital beds and 464 public health centers to our Nation's resources.

Of 900 completely new general hospitals being built under the program, more than half are located in communities that had no hospital of any kind and many are located in communities where the only hospital was substandard and not acceptable.

Well over half of the new facilities are being built in small communities to serve rural people.

The larger projects have provided teaching facilities like those that have been constructed at university medical centers in my own State of Alabama, in Arkansas, Florida, Georgia, Maryland, Mississippi, North Carolina, South Carolina, Texas, Virginia, and in other States. The larger institutions play the vital role of training physicians, nurses, and other medical personnel for use in staffing the small community hospitals and health centers.

The hospital beds added to the Nation's supply have served to reduce from five million to one and one-half million the number of southerners without hospital facilities. I am proud of the contribution which the program has made to the building of hundreds of public health centers in the South, where public health centers were fewest.

All over the South shabby county health offices in courthouse basements are giving way to new and attractive

public health centers and clinics, and southern communities have a new feeling of pride in preventing illness.

What the hospital program has accomplished in Alabama can perhaps best be described by the words of the editor of the Alabama Hospital News, official organ of the Alabama Hospital Association. The editor writes:

In 1947, when the curtain rang up on the Hill-Burton Act in Alabama, the hospital scene was dismal. Based on estimated need in relation to population, Alabama's existing hospitals provided 1 bed where 3 were needed. Even this does not give a true picture, for hospital distribution provided adequate care in some areas, and no facilities at all in others.

The story of the Hill-Burton hospital program in Alabama reads like a fairy story. Perhaps it is. It's the story of joint cooperation—Federal, State, and local, and the waving of a magic wand over the State. And lo, where there was nothing—a miracle appeared in the form of glistening new hospitals—as beauitful as the finest hotels; as modern as medical research.

Of the program in Alabama, President William B. McGehee, of the Alabama Hospital Association, has declared:

No one can question the worth of the Hill-Burton program in Alabama. The Alabama Hospital Association has endorsed it in the past, and continues to do so. It has permitted the creation of health facilities in Alabama and the South which could not have been done in any other way. Many areas, previously lacking in hospital accessibility, now have good medical facilities. The foresightedness of the program is grand.

Upon admitting Senator HILL to honorary membership in the American Hospital Association, sponsor of the program, the association declared:

Your vigorous enthusiasm, your untiring efforts, and your wise guidance contributed beyond measure to the final enactment of a law which will be of lasting benefit to your fellow citizens.

Based on a recent national survey, the American Hospital Association reports that the Nation has derived these benefits from the program:

For the first time in our history there has been statewide hospital planning. Assistance has been provided to many communities that would not otherwise have a hospital. The program is helping to overcome the shortage of doctors in rural communities. A great contribution has been made to the quality of patient care, with improved physical health and higher standards of health care in the community. The program has enabled early diagnosis of disease and much better preventive medicine for the people.

The new hospitals are training large numbers of new hospital personnel and helping to relieve the shortages of doctors, nurses, and other health personnel. The existence of the program is insurance against the socialization of medicine and of health services.

The construction of the hospitals has greatly stimulated enrollment in voluntary health insurance plans, such as Blue Cross and Blue Shield.

I salute the senior Senator from Alabama, Senator HILL, statesman, and humanitarian. He has done more than anyone else to bring hospitals and the opportunity for good health to the American people, and in doing so he has contributed mightily to the building of the strength and security of our country.

Mr. CROSSER. Mr. Chairman, I yield 27 minutes to the gentleman from Arkansas [Mr. HARRIS].

Mr. LUCAS. Mr. Chairman, will the gentleman yield?

Mr. HARRIS. I yield to the gentleman from Texas.

Mr. LUCAS. I was attempting to learn from the gentleman from Tennessee whether or not the Davis-Bacon Federal Construction Act would apply in cases of hospital construction by these nonprofit institutions.

Mr. HARRIS. The language of this bill does not in any way change existing provisions of the Davis-Bacon Act.

Mr. LUCAS. Does it apply the Davis-Bacon Act to this construction?

Mr. HARRIS. If the Davis-Bacon Act applies to such Federal construction then it would apply here. This does not in any way affect present law with reference to the Davis-Bacon Act.

Mr. LUCAS. I understand that, but if grants are made to the States for the construction of these nursing homes, will the Secretary of Labor step in and set the prevailing wage scale in the community for this construction?

Mr. HARRIS. Insofar as I know, it has never been done with Hill-Burton construction.

Mr. LUCAS. Is it the intention that it be done here?

Mr. HARRIS. The gentleman mentioned a moment ago, I believe, that it is his understanding that it had been applied in some instances. Is that right?

Mr. LUCAS. Yes.

Mr. HARRIS. If it has been applied in some instances in the past, it may be done, because this does not change existing law whatsoever in that regard.

Mr. JONAS of Illinois. Mr. Chairman, will the gentleman yield?

Mr. HARRIS. I yield.

Mr. JONAS of Illinois. Is there any change in procedure under the bill that is now under debate here, that we are contemplating passing, from that which was provided for construction purposes in the allocation of the funds under the Hill-Burton law? In other words, under the Hill-Burton law it was provided that certain funds be allocated to a State. The State set up its own machinery through its director of health as to how that fund was to be allocated and to whom it was to be given. Then the State and the private nonprofit corporation made their own bargain and disposed of the amount of money allowed to the institution. Is there any change in that proceeding under this law?

Mr. HARRIS. Insofar as the authority of the State is concerned, is that what the gentleman has in mind?

Mr. JONAS of Illinois. And the Government. The Government agrees to that procedure, as it did before?

Mr. HARRIS. This does not change existing law in that regard. This proposes to expand what is generally referred to as the Hill-Burton Construction Act, which originally applied to the construction of what is referred to as general hospitals, tuberculosis, chronic disease, rehabilitation, and public health centers. This would expand the program to provide diagnostic treatments not only in hospitals but separate from hospitals constructed under the program, chronic disease hospitals, rehabilitation facilities, in and out of existing hospitals, and nursing homes.

Mr. JONAS of Illinois. I understand that.

Mr. HARRIS. It does not change the law whatsoever or the provision with reference to the authority of the States. If, for example, $50 million has been recommended in the budget for hospital construction under the original act, then the State would be required to allocate the allocation it received for that purpose. If $20 million was appropriated under this expansion program for diagnostic centers, then the States would have to apply such funds to the diagnostic centers. It could not be applied to general hospital construction.

Mr. JONAS of Illinois. I understand. I just will say to the gentleman that I have experienced two instances where funds were allocated to the State of Illinois under the Hill-Burton Act, and all there was to it was that the Government asked the director of health in Illinois how much they wanted, and that was deposited with the State. Then the State set up its own investigating board and they made inquiries of the various nonprofit hospitals as to whether they wanted any funds for improving their hospitals and to carry on certain work. Of course, they had to match that, I think it was one-third and two-thirds. Under this $20-million provision that you have in this bill, it is noted that is for the purpose of building hospitals to take care of chronic diseases and those who are chronically ill, and so on. Is the procedure to obtain that money under this bill any different than the procedure which was applied when you obtained funds under the existing, or what is known as the Hill-Burton Act?

Mr. HARRIS. There is no difference with the exception as to the formula which may be used within the State. There is a change in these additional categories in one respect which was not and has not been made applicable to the Hill-Burton program, and that is with reference to the option of the minimum 50-percent Federal contribution.

Mr. JONAS of Illinois. I thank the gentleman.

Mr. ROGERS of Florida. Mr. Chairman, will the gentleman yield?

Mr. HARRIS. I yield.

Mr. ROGERS of Florida. Before the gentleman continues with his speech, which I know he is anxious to do, would he define for the House what an ambulatory patient is?

Mr. HARRIS. I shall be glad to try to comply with the gentleman's request.

An ambulatory patient, as of course the gentleman knows, is a person who is able to get around by himself, a man who is not confined to bed all the time.

Mr. Chairman, I realize the importance of this proposed legislation. I am not opposed to the bill. I voted to report it out of committee. The committee gave many days and hours of most careful consideration to this problem.

This is an administration bill. It is recommended by the administration as the distinguished chairman of the committee, the gentleman from New Jersey [Mr. WOLVERTON], advised us a moment ago when he read the statement of the President of the United States. So it is a program which is before us with the recommendation of the administration. I emphasize that because I want to refer to it later on.

I want to compliment the chairman of our committee. Out of my experience of some 14 years of service in this great body, I do not believe I have observed anyone who has given more time, earnest and serious consideration to the problems of health and welfare of the American people than our great chairman, CHARLIE WOLVERTON. He has worked hard and diligently. He has had an objective in mind which he has brought to our committee, and the committee, after considering this expansion program, presents it to the House for its consideration.

There have been many claims made by our Republican friends about what they are doing and what they propose to do. Even on the tax question, we have heard so many comments about what they have done by reducing taxes on January 1. In fact, the statement has been made so many times I think some people are probably beginning to believe that the Republican administration has actually reduced taxes, since a reduction became effective January 1, when we know that that was part of the legislation passed in a Democratic administration in 1950.

Now we have another tax bill coming before us. Were it not for that, the additional taxes which were provided in 1950 because of the Korean war, this greater burden of taxation on the American people would automatically expire April 1.

We have seen statements in the last few days that this is going to be a week in which legislative history will be made; great accomplishments for the American people. We did have a bill in this House yesterday to provide for an additional road program. The Federal road program was adopted as far back as 1934, I believe. There have been extensions from time to time. In the last bill the Congress provided $550 million for road purposes without linkage or other such conditions. That amount was authorized. Yesterday we had another extension of this worthwhile program in the House. But tied to this expansion of our road-construction program was a requirement for a permanent 2-cent Federal tax on gasoline. Without such requirement, the American people will not have this expansion program.

In this same announcement about the great accomplishments of this week there was included the tax bill which will come before us tomorrow. The third one mentioned is the program we have here today, a program to provide additional facilities for the health and welfare of the American people.

Our committee reported this bill unanimously. Certainly, who is he that is not for a program which will provide for the health and welfare of our people? Who is there who would not support any program to bring relief to suffering humanity? Consequently, if this may be interpreted as that kind of a program, our committee unanimously reported it and we have it before us today.

Mr. FORAND. Mr. Chairman, will the gentleman yield?

Mr. HARRIS. I yield to the gentleman from Rhode Island.

Mr. FORAND. I have received a number of communications from people operating convalescent and nursing homes who are very fearful that this bill would put them out of business. I wish the gentleman would elaborate a little on that so that I may be able to give my constituents an intelligent answer.

Mr. HARRIS. Would the gentleman mind if I took that up just a little bit later?

Mr. FORAND. Any time in the course of the gentleman's remarks.

Mr. HARRIS. I shall be glad to do that.

This program we have here today is a bipartisan program. There is no partisan element in connection with this and there never has been. There is none intended today. But I do want to make some observations concerning what I think will be the result of this action.

Under the original Hill-Burton program an authorization of $75 million was provided. It provided a Federal-aid program to the States and Territories for general hospital construction, for mental health, tuberculosis, chronic disease hospitals, rehabilitation facilities in hospitals, public health centers, et cetera.

In 1949 the program was revised and extended. The Congress increased the authorization to $150 million annually. Last year we extended the program for another 2 years through 1957.

I asked the Secretary of the Department of Health, Education, and Welfare if, under the present law, almost everything she asked for could not be provided for. It developed in the course of the hearings that the only additional authorization that is not now authorized is for diagnostic or treatment centers, which are separate from hospitals; rehabilitation facilities, which are separate from hospitals; and nursing homes. Yet we here would authorize an additional $60 million for the next 3 years for these purposes, when under existing law there is $150 million authorization for this program on an annual basis. We cannot get one-half that amount appropriated. Only one-third is recommended by the budget for the next fiscal year.

Under existing law diagnostic and treatment centers connected with hospitals can be provided. Under existing law chronic disease hospitals can be constructed, rehabilitation facilities in hospitals can be constructed, yet when we get the budget for the fiscal year 1955 under this existing authorization of $150 million, what do we get? We get one-third of it, we get $50 million.

So we have a program here in which there is additional authorization of $60 million. On the one hand the administration says, as in this case, to the American people, they are going to do great things for them in the field of public health, yet we are reducing the appropriation to provide these facilities under existing law for this coming fiscal year by $15 million. Can you say honestly on the one hand to the American people that you are going to give them something needed for their health, and then on the other hand reduce the funds? We cannot work both sides of the street, or talk out of both sides of the mouth.

Mr. FORAND. Mr. Chairman, will the gentleman yield?

Mr. HARRIS. I yield.

Mr. FORAND. Is not this a repetition of what happened in the 80th Congress? Then, if the gentleman will recall, in an attempt to present an appropriation showing a great reduction, $50 million was deleted which was for hospital construction, and contractual authorization was given that they go ahead and put up the $150 million authorization.

Mr. HARRIS. The gentleman has made a very interesting point there. But it is even worse now because of the changing conditions and existing circumstances.

Mr. FORAND. This was in the 80th Congress, the Republican 80th Congress. Remember? They were elected to take control in the 1946 election. It was far ahead of the Korean war. They were making an attempt to present to the people the idea that they were cutting down the expenditures, and at the same time, if you remember, they also cut out an item of $800 million for the payment of refund of taxes—the Republicans. How can we get away from refunding taxes when the refunds are due the people?

Mr. HARRIS. Yes; the gentleman is quite right, that was 3 years prior to the Korean war.

The point I want to make and which I want to emphasize, as I indicated at the outset, is that this is an administration bill. If the administration wants to provide extended health facilities to the American people, as contained in this bill, how can it justify a continual reduction in the budget? It was reduced a year ago from $75 million for the fiscal year 1953 to a revised budget request of the administration to $60 million for this fiscal year 1954. The Congress finally approved $65 million for this year. Now we get a budget request on our hospital-construction program of $50 million, another reduction in this program which they tell us, and with which I agree, is so vital and so important to the people of the United States of America.

Now let us see if there is justification for reducing this program in the field of general hospital beds or for tuberculosis, or for mental hospitals. What do we find the need to be? There are approved 2,200 projects under the Hill-Burton construction program. One hundred and six thousand beds have been added, $600 million of Federal funds have been joined with $1,250,000,000 of non-Federal funds for hospital construction.

We have in this country 496,565 acceptable hospital beds. That is, general hospital beds. Even though 106,000 beds have been provided under this program, there is additional need for 219,038 beds. We find the need much greater in the

hospital program for mental patients. In fact, I am including the table as supplied for the committee showing the hospital situation, including existing beds and additional beds needed throughout the country, as follows:

HOSPITAL BEDS IN THE UNITED STATES, AS OF JUNE 30, 1953

According to State hospital plans approved under the Hill-Burton Act (Public Health Service Act, title VI, as amended), beds in Federal facilities not included [1]

General summary—United States and Territories

Type of service	Existing beds			Additional beds needed		Total beds needed [3]
	Total	Acceptable	Non-acceptable [2]	Number	Rate per 1,000 population	
Hospitals:						
All categories	1,220,385	1,059,816	160,569	848,678	5.5	1,902,089
General	573,663	496,565	77,098	219,038	1.4	715,665
Mental	491,481	432,443	59,038	336,334	2.2	767,557
Tuberculosis	100,144	86,646	13,498	30,781	.2	112,180
Chronic	55,097	44,162	10,935	262,525	1.7	306,687
Public health centers:	*Units*			*Units*		*Units*
Primary	714			1,518		2,232
Auxiliary	987			1,353		2,340

[1] Beds in operation for civilians in Federal facilities of the Veterans' Administration, Indian Service, and Public Health Service were last reported as follows: General, 46,672; mental, 49,752; tuberculosis, 15,906; chronic, 6,712=total, 119,042.

[2] As classified by the State agencies, on the basis of fire and health hazards.

[3] According to ratios prescribed in the Public Health Service Act, as follows: General—4.5 beds per 1,000 population (except 5.0 and 5.5 where State population density is from 6 to 12 per square mile or below 6 per square mile). Mental—5 beds per 1,000 population. Tuberculosis—2.5 beds per average annual death, for latest 5-year period. Chronic—2 beds per 1,000 population. Health center—not to exceed 1 primary center per 30,000 population (or 1 per 20,000 population when State population density is below 12 per square mile).

There can be no justification then insofar as need is concerned, for reducing this program which is so vital to the future health of our people.

I inquired of Mrs. Hobby, the Secretary, about this. You will find it in the hearings. I understood from what she said that they were recommending in the budget $112 million this year, $50 million for the hospital construction program under the old act and $62 million under this program. But it develops that $50 million is all the administration is recommending. They say that in the supplemental, somewhere down the line, if this authorization is provided it is their intention to come back and ask the Congress for this additional amount. It is only an announcement that the administration, if this goes through, may come back and ask for additional funds. Let me read the colloquy between the Secretary, Mrs. Hobby, and myself on this question. Mrs. Hobby had earlier in the day given me the impression that the budget contained a request for $112 million for hospital construction for the next fiscal year. I thought it should be cleared up. I read from the hearings, page 71, as follows:

Mr. HARRIS. Mrs. Hobby, I should like to go back to our discussion this morning with reference to the budget. As I understand your response to the questions that I asked, you replied that the budget has requested $112 million for the 1955 program.

Secretary HOBBY. I cannot tell you exactly what I said, Mr. HARRIS. I can tell you exactly what the President has requested in the field of health, and that was $50 million for the old Hospital Survey and Construction Act, and $62 million in this area, which is a total of $112 million.

Mr. HARRIS. Both approaches are very important, but the first approach cannot be effectuated unless the second approach is carried out. In other words, the authorization is necessary.

Secretary HOBBY. Yes, sir.

Mr. HARRIS. But unless we get the appropriation following the authorization, then we have not gotten anywhere, have we?

Secretary HOBBY. That is correct.

Mr. HARRIS. I bring this up again simply to clarify in my own mind what I believe is in the record, and that is the impression that there actually is a request to the Congress, through this budget, for $112 million. The Appropriations Committee will of course consider the budget as requested, together with whatever clarification you and your associates make when you appear there.

I find on page 667 of the budget, appropriated 1954, $65 million. That is for the fiscal year. Estimate, which is request, for 1955, $50 million grants for hospital construction under the Public Health Service.

Secretary HOBBY. That is correct.

Mr. HARRIS. That is a direct request of the Congress for that money.

Secretary HOBBY. That is correct.

Mr. HARRIS. On page 706, I find this in the budget: Proposed for later transmission, proposed expansion for grants for hospital construction program. In other words, that is a proposal in the budget for general information that, should this authorization be provided, later an actual request would be made. It that true?

Secretary HOBBY. You have the book before you, and, as I recall it, it is true. It is correct.

Mr. HARRIS. It is the budget that comes from your Department, and that is the reason I am trying to clarify what is meant.

Secretary HOBBY. Mr. HARRIS, I am trying to be as helpful as I know how. You have the advantage of having the book before you, and I have not.

Mr. HARRIS. I would be glad to provide it to you.

Secretary HOBBY. Let me finish. As I recall, that is exactly the situation. That is the reason I tried to answer you so carefully this morning, to tell you that there was in the budget $50 million for the Hospital Survey and Construction Act, and a request for an authorization of $62 million under this proposed legislation.

Mr. HARRIS. That would be perfectly correct, but I understood it was a request for an appropriation of $112 million.

Secretary HOBBY. If I misled you, I did so inadvertently.

Mr. HARRIS. I know that.

Secretary HOBBY. I thought I made it perfectly clear.

Mr. PERKINS. Mr. Chairman, will the gentleman yield?

Mr. HARRIS. I yield to the gentleman from Kentucky.

Mr. PERKINS. I would like to ask the gentleman from Arkansas just what percentage of necessary hospital beds his own State now has along with the other States.

Mr. HARRIS. I have already included the information in the hospital summary in categories authorized under the original hospital program. I shall be glad to include with my statement a table giving a breakdown of all categories by States and regions.

Mr. PERKINS. I thank the gentleman.

Mr. HARRIS. Mr. Chairman, I bring this to the attention of the House in order to show that we are saying here by this legislation that there is need for expansion of this program and subsequently actually reduce it. It is not a consistent approach. As the Secretary said, the reason that she is making this approach and coming to us with it is to emphasize more these particular categories. Frankly, although I am supporting this legislation, I have some serious reservations in my own mind as to whether or not in many instances we are going to have any takers in this field.

We have had very few projects approved under existing law for diagnostic centers, for chronic disease hospitals or for rehabilitation facilities. Whether or not there will be sponsors for the program, realizing their need, is something that will have to be determined by the local authorities within the States.

Now, as to nursing homes. We are getting into the field of nursing homes. This is the only controversial feature of the bill. It is the new feature of the program. The people operating nursing homes throughout the country are fearful that this will put the Government or the localities, nonprofit institutions and associations, in competition with them. Frankly, if private nursing homes can provide the need, I would much rather see the program expanded by them. There is some justification for their fear. Private enterprise cannot compete with a Government program and exist.

I do not think, however, the fear will be as great as some think now. Need must be shown in the locality. Sponsors must be available, provide its share of cost of any such nonprofit project. Surveys must be made by State agency and plans must be approved by States as well as the Public Health Service. However, we are advised that there are many existing nursing homes in the country that are simply not for the interest and the welfare of the general public. We have had brought to our attention nursing homes in the country that certainly should not be permitted to exist; nursing homes which create hazards, actual fire hazards, and other conditions that do not lend themselves to the best interests of mankind.

Now, if this measure will emphasize this needed program, if it will give to the American people what they should have in this field, then I say we have brought to this Congress and we have brought to the American people an additional type of facility toward relieving suffering humanity. So, with changes that have been made to preserve the Hill-Burton Act as was originally adopted and later revised and extended, and since we have made it certain that this does not affect or alter that program at all, I am for the bill. My particular and special interest has been in seeing that the original Hill-Burton hospital-construction program is not interfered with. I am fearful that by bringing this program here at this time the result is going to be to reduce the emphasis in these fields that are needed most.

The information and table above referred to and requested is as follows:

TABLE I.—*All categories—Showing population basis, existing beds, additional need and total need, by States and regions*

State and socioeconomic region	Civilian population per plan [1]		Existing beds			Additional beds		Total beds needed [3]
	Date	Number	Total	Acceptable	Nonacceptable [2]	Needed	Rate per 1,000 population	
United States and Territories		153,478,630	1,220,385	1,059,816	160,569	848,678	5.5	1,902,089
United States		150,646,487	1,200,422	1,044,178	156,244	820,549	5.4	1,859,131
New England		9,311,261	91,434	81,683	9,751	35,003	3.8	115,479
Connecticut	July 1951	2,026,000	21,093	18,757	2,336	6,524	3.2	24,586
Maine*	April 1950	912,000	6,490	6,490		4,616	5.1	11,106
Massachusetts	do	[4] 4,690,514	48,549	42,563	5,986	17,116	3.6	59,167
New Hampshire	July 1951	531,000	4,574	4,316	258	2,209	4.2	6,525
Rhode Island	April 1950	774,000	7,346	6,832	514	2,698	3.5	9,530
Vermont	do	[4] 377,747	3,382	2,725	657	1,840	4.9	4,565
Middle East		36,128,206	339,287	287,075	52,212	160,172	4.4	445,702
Delaware	July 1951	[4] 329,000	3,456	2,762	694	1,264	3.8	4,026
District of Columbia	April 1950	769,000	10,564	8,803	1,761	2,434	3.2	10,017
Maryland	do	2,306,000	23,424	18,604	4,820	10,608	4.6	28,887
New Jersey	July 1951	[4] 4,972,000	39,895	36,910	2,985	24,414	4.9	61,324
New York	July 1952	[5] 15,267,206	164,192	136,956	27,236	49,779	3.3	186,735
Pennsylvania	April 1950	10,480,000	85,314	73,184	12,130	56,901	5.4	130,085
West Virginia	do	2,005,000	12,442	9,856	2,586	14,772	7.4	24,628
Southeast	April 1950	31,471,541	201,010	177,086	23,924	213,590	6.8	390,461
Alabama	do	3,053,000	12,865	12,065	800	25,347	8.3	37,412
Arkansas	do	1,908,000	12,477	8,541	3,936	14,461	7.6	22,951
Florida	do	2,729,000	19,709	17,455	2,254	15,872	5.8	33,197
Georgia	July 1950	3,418,000	25,049	22,626	2,423	19,125	5.6	41,751
Kentucky	April 1950	2,913,000	16,823	16,097	726	20,812	7.1	36,909
Louisiana	do	2,670,000	21,772	17,659	4,113	16,721	6.2	34,380
Mississippi	July 1950	2,169,541	12,212	8,612	3,600	18,093	8.3	26,705
North Carolina	April 1950	4,014,000	25,608	25,331	277	25,132	6.3	50,429
South Carolina	do	2,096,000	11,269	10,918	351	14,717	7.0	25,635
Tennessee	do	3,281,000	21,141	20,913	228	20,360	6.2	41,273
Virginia	do	3,220,000	22,085	16,869	5,216	22,950	7.1	39,819
Southwest		11,246,872	75,924	70,288	5,636	70,933	6.3	141,221
Arizona	July 1951	776,872	5,991	4,926	1,065	6,052	7.8	10,978
New Mexico	April 1950	668,000	4,343	4,117	226	5,408	8.1	9,525
Oklahoma	do	2,218,000	19,404	16,414	2,990	10,903	4.9	27,317
Texas	do	7,584,000	46,186	44,831	1,355	48,570	6.4	93,401
Central		40,056,058	303,290	256,570	46,720	232,132	5.8	487,054
Illinois	do	8,672,000	70,651	58,504	12,147	48,235	5.6	106,739
Indiana	do	3,932,000	25,539	19,607	5,932	27,964	7.1	47,571
Iowa	do	2,621,000	19,435	13,621	5,814	17,189	6.6	30,810
Michigan	July 1951	6,524,000	48,070	36,181	11,889	43,567	6.7	79,166
Minnesota	April 1950	[4] 2,982,483	24,985	22,501	2,484	13,944	4.7	35,630
Missouri	do	3,952,000	32,259	31,234	1,025	18,291	4.6	49,525
Ohio	do	7,938,000	54,349	49,271	5,078	46,936	5.9	96,207
Wisconsin	do	[4] 3,434,575	28,002	25,651	2,351	16,006	4.7	41,406
Northwest		7,983,549	68,002	60,218	7,784	40,355	5.1	100,364
Colorado	July 1951	1,334,000	13,981	12,496	1,485	4,750	3.6	17,246
Idaho	do	588,000	3,722	3,352	370	3,834	6.5	7,186
Kansas	April 1950	[4] 1,905,299	14,006	10,550	3,456	11,896	6.2	22,446
Montana*	do	589,000	6,141	5,758	383	2,604	4.4	8,309
Nebraska	do	[4] 1,325,510	12,388	11,522	866	4,683	3.5	16,205
North Dakota*	do	620,000	6,167	6,120	47	3,026	4.9	8,990
South Dakota*	do	[4] 652,740	5,280	4,522	758	3,446	5.3	7,968
Utah	do	687,000	3,934	3,793	141	4,604	6.7	8,397
Wyoming	do	282,000	2,383	2,105	278	1,512	5.4	3,617
Far West		14,449,000	121,475	111,258	10,217	68,364	4.7	178,850
California	July 1950	10,421,000	92,368	84,978	7,390	45,379	4.4	130,424
Nevada	July 1951	166,000	1,246	1,130	116	1,080	6.5	2,210
Oregon	April 1950	1,519,000	9,946	9,441	505	8,698	5.7	18,137
Washington	July 1951	2,343,000	17,915	15,709	2,206	13,209	5.6	28,079
Territories		2,832,143	19,963	15,638	4,325	28,129	9.9	42,958
Alaska	April 1950	[4] 128,643	2,017	1,248	769	971	7.5	2,281
Hawaii	July 1950	474,000	5,288	3,789	1,499	2,881	6.1	5,799
Puerto Rico	April 1950	2,203,000	12,466	10,409	2,057	24,119	10.9	34,528
Virgin Islands*	July 1950	26,500	192	192		158	6.0	350

[1] All plans for fiscal year (1953) except for States shown with an asterisk.
[2] As classified by the State agencies, on the basis of fire and health hazards.
[3] According to ratios prescribed in the Public Health Service Act, as follows: General—4.5 beds per 1,000 population (except 5.0 and 5.5 where State population density is from 6 to 12 per square mile or below 6 per square mile). Mental—5 beds per 1,000 population. Tuberculosis—2.5 beds per average annual death, for latest 5-year period. Chronic—2 beds per 1,000 population. Health center—not to exceed 1 primary center per 30,000 population (or 1 per 20,000 population when State population density is below 12 per square mile).
[4] Total population.
[5] As adjusted by State.

Mr. HINSHAW. Mr. Chairman, I yield 5 minutes to the gentleman from Maine [Mr. HALE].

Mr. HALE. Mr. Chairman, I am in favor of this legislation and I urge its passage. I hope it will have the unanimous support of this House.

Mr. Chairman, I have listened with great interest and attention to the remarks of the very able gentleman who has just addressed the committee, and I have listened to other remarks emphasizing more or less partisan features or supposed partisan features of this and other bills. I cannot be very much interested in those phases of this legislation.

I do not think that this is a uniquely humanitarian piece of legislation. I voted for some excellent measures which originated over on the other side of the House in the last 12 years, although I do not think it would be quite fair to say that the original Hill-Burton Hospital Construction Act was a purely Democratic measure. But, I am not interested in all those claims of partisan advantage.

Mr. Chairman, this is a piece of legislation designed for the public welfare and I believe it will tend to operate in the public welfare. It is simply an extension to four other types of construction of the provisions of the Hill-Burton law. The Hill-Burton law has been, I believe, as nearly as I can tell and from all the information that has ever come to me, a distinctly successful piece of legislation. Under it many hospitals have been built which presumably would not otherwise have been built. On the other hand, it has done nothing to deter the construction of hospitals which would otherwise have been built. If I had supposed that this piece of legislation now before us would discourage the building of hospitals under the Hill-Burton Act, I should certainly not have voted for it in the committee, and I should not be on the floor this morning advocating its passage.

Mr. CANFIELD. Mr. Chairman, I wonder if the gentleman would yield to me at this point to make a correction about what the 80th Congress did with respect to appropriations for hospitals.

Mr. HALE. I should be happy to yield to the gentleman.

Mr. CANFIELD. I have just checked with the House Committee on Appropriations and I find that for the fiscal year 1948 the Truman administration requested $50 million and the Republican Congress voted $75 million. For the fiscal year 1949 the Truman administration requested $75 million and the Republican 80th Congress voted $75 million.

Mr. HALE. That is very interesting information which the gentleman from New Jersey has just given us, and I am happy to have it in the RECORD.

However, I would like to emphasize, in view of what has been said by speakers preceding me, that the legislation now before us is not an appropriation bill and still less, of course, is it a tax bill. When the question of excise taxes or other taxes comes before the House tomorrow, the Members will vote as they see fit. They will vote as they see fit on appropiation bills which will come before the House on the question of public health.

I do not suppose that budget requests are determinative of what we may wish to appropriate for public health. This is simply an authorization bill that authorizes expenditures up to $62,500,000 for the particular types of institutions mentioned in the bill.

The only sensible course seems to me to pass the bill and see if it does not accomplish the good that it is designed to accomplish. I favor the bill, not because the President has asked for it, not because it will help our party, but because I think the country will benefit from its enactment.

Mr. HINSHAW. Mr. Chairman, I yield 5 minutes to the gentleman from Iowa [Mr. DOLLIVER].

Mr. DOLLIVER. Mr. Chairman, obviously in the 5 minutes which have been allotted to me I cannot discuss all the details of this bill. There are only two aspects which I wish to call to your attention.

The first is that this program is essentially under the control of the States. I think that is an objective which ought to be kept in mind. It is the provision of the bill which is of utmost importance. Traditionally the care of the health of our people has been a local and State function.

For example, the licensing of practitioners of the healing arts has always been a function of the State government and has never been gone into by the Federal Government. So it is with this program.

Before any of this Federal money is spent, an agreeable arrangement must be made between the State and Federal authorities in the field of health setting up a program which is acceptable, not only to the Federal standard but also is acceptable within the State that is involved. It is most important that we do not lose sight of that.

There is one phase of the program which is of extreme interest to me personally and which I think ought to be emphasized in this discussion, and that is the rehabilitation program which is involved in the pending legislation. Most of us understand what is meant by rehabilitation of the disabled.

There is a rehabilitation program for example, in the Veterans' Administration, designed to enable a veteran who has been disabled by combat or by other cause in the service, to regain his useful place in society. The rehabilitation provisions of this bill are designed to do that for people who do not have the advantages that come to them through the Veterans' Administration. That is to say, the general public.

Some of us may not realize the extreme importance of rehabilitation, not only from the standpoint of the individual, but from a social standpoint. For example, here is an individual who may suffer the loss of a limb in an industrial accident or in a home accident. Unless he can be retrained, perhaps to another occupation, he becomes totally dependent upon his family, upon his friends, upon society. But if by proper training, both physical and mental, he can be rehabilitated so he can take a new position and become selfsupporting, he regains a place in society where he can become self sufficient and responsible. It takes a load off the backs of the taxpayers, either locally or on the State level. So that instead of being a burden on society that individual is able to contribute something to the body politic.

In considering this legislation in all of its aspects, it is well to emphasize the fact that here is a program which permits the Federal and State governments together to study this rehabilitation program, along with the others, and determine upon the program within the State that is acceptable both on the Federal and the State level, and then to try to undertake to help these people who need help, to the end that they may become self-supporting and self-sufficient in their communities.

The CHAIRMAN. The time of the gentleman from Iowa [Mr. DOLLIVER] has expired.

Mr. HINSHAW. Mr. Chairman, I yield the gentleman 1 additional minute.

Mr. HARRIS. Mr. Chairman, will the gentleman yield?

Mr. DOLLIVER. I yield.

Mr. HARRIS. The chairman has asked if this in any way would interfere with the vocational rehabilitation program which, as you know, is provided by authorization from another committee. As I understand, this has no relation whatsoever to vocational education.

Mr. DOLLIVER. No, it has not. This is a physical and therapeutic rehabilitation program, and in no way interferes with any other program.

The CHAIRMAN. The time of the gentleman from Iowa has again expired.

Mr. WOLVERTON. Mr. Chairman, I yield 5 minutes to the gentlewoman from Ohio [Mrs. FRANCES P. BOLTON].

Mrs. FRANCES P. BOLTON. Mr. Chairman, I want to take this opportunity to congratulate and thank the distinguished chairman of the Committee on Interstate and Foreign Commerce, Mr. WOLVERTON, for the consecrated work he has done in conducting so broad an inquiry into the health situation.

During the recess last fall the gentleman from New Jersey [Mr. WOLVERTON] and two other members of the committee—Mr. SPRINGER and Mr. HOFFMAN of Illinois—made a trip to Europe and other parts of the world to get the benefit of the experience of other governments, private agencies, and diversified groups in establishing programs for alleviating the high cost of health preventative measures, and health treatment.

It has been helpful to those of us who have spent many years both in and out of Congress trying to improve the health situation in America, to have had read into the RECORD the exceedingly useful testimony which has been given before the committee. May I express my keen appreciation to the distinguished gentleman from New Jersey [Mr. WOLVERTON] for making it so readily available to all of us.

We who are and must be deeply and increasingly concerned with the health of the United States are heartily in favor of the health program which was submitted by the President, and which is being carried out by the Committee on

Interstate and Foreign Commerce bit by bit. But while being strongly in support of measures to assist where needed the construction of additional hospital facilities, I am increasingly troubled over the fact that no provision has so far been suggested even for the training of additional nursing personnel to staff these new facilities. I appreciate very well that there is going to be a shortage of medical staff, of the various technicians, and so forth. But a hospital is better able to do without some of these than without nurses of some grade of training.

As I reported to the House in my Survey of the Health Care Situation in America on February 25, there is unquestionably an acute shortage of nurses in this Nation. In many areas of the country whole hospital wards are being closed because there are no nurses to staff them. Just how do we propose to staff these additional facilities to be constructed under the Hospital Survey and Construction program?

I am wondering, Mr. Chairman, whether it would not be possible for the committee in its survey, for which we are to appropriate funds, to include in that survey a very clear presentation of the number of additional nursing personnel that will be needed. It would be most helpful to those of us who are planning ahead and attempting to do something about stimulating the girls to go into nursing and also doing the very serious job of increasing the number of teachers and instructors of nursing.

May I say, also, Mr. Chairman, that on yesterday I called our State director of health, Dr. Porterfield, and asked him whether he had anything to suggest or propose or add. He was very much interested that there would be $82,469 possible for Ohio. He felt this would make it possible to include a survey of the health needs of the rural areas, a very important area of need.

One of the problems that he brought to me was this. In Miami County, half way between Piqua and Troy, there has been built a very wonderful memorial hospital for chronic patients, with private funds. There are 140 beds. During the first 2 months of the life of that hospital only 7 patients were admitted. The reason he gave me was that the Blue Cross in Ohio—and I do not know what the Blue Cross organizations may do in other States—but the Blue Cross in Ohio does not pay for patients in specialized hospitals.

The CHAIRMAN. The time of the gentlewoman from Ohio has expired.

Mr. WOLVERTON. Mr. Chairman, I yield 2 additional minutes to the distinguished lady, and take advantage of the opportunity to say that I greatly appreciate the fine things she has said about the chairman of our committee. I also want the House to know that the matter to which the lady has referred, namely, the necessity of additional doctors and nurses, and particularly the latter, is a matter of extreme importance. I am well aware of the very careful study and consideration that the lady has given to that particular subject, and I am hopeful that our committee, before we adjourn this session, will be able to give her an opportunity to present the facts to our committee in support of the nurses training bill that she has so ably and zealously advocated over a period of years.

Mrs. FRANCES P. BOLTON. I thank the gentleman very much.

May I simply add this, to finish the sentence I had started, that the Blue Cross in Ohio does not pay for patients in specialized hospitals. Therefore, this very fine memorial hospital in the true spirit of service has added those facilities necessary to a general hospital, and within a very short time added 40 patients to the list.

In the matter of nursing, Mr. Chairman, I am continuing, as you know, the very careful study of the whole situation in nursing, the best way to secure students and the best way to teach them. It may be that I shall not be ready to present to this Congress any really organized legislation in this session, should adjournment come as early as seems to be anticipated.

Mr. PRIEST. Mr. Chairman, will the gentlewoman yield?

Mrs. FRANCES P. BOLTON. I yield.

Mr. PRIEST. I asked the gentlewoman to yield because I want to join the chairman of our committee in expressing a very sincere appreciation for the effort that has been put forth by the gentlewoman from Ohio in this particular field, and the great help that she has been to our committee in the past in this and related health subjects.

Mrs. FRANCES P. BOLTON. I thank the gentleman very much.

Mr. HINSHAW. Mr. Chairman, I yield 5 minutes to the gentleman from Indiana [Mr. BEAMER].

Mr. BEAMER. Mr. Chairman, H. R. 8149, the bill presently before the Committee of the Whole House, is one of the important measures to be considered in this session of the 83d Congress. Briefly, it amends the hospital and construction provisions of the Public Health Service Act.

President Eisenhower in his message to the Congress on January 18 recommended the encouragement of the Hospital Survey and Construction Act, and the House Interstate and Foreign Commerce Committee has given very serious consideration and extended hearings were held in behalf of this bill.

First of all, it is an amendment to the Hospital Survey and Construction Act of 1946 which is known as the Hill-Burton Act. This legislation was amended by the 81st Congress and also by the 1st session of this 83d Congress. Thus, the Congress twice has reaffirmed the soundness of the program. This Hospital Extension Act and the program which it embraced apparently has met with general approval by all groups.

First of all, H. R. 8149 provides and assists the States by providing funds for surveying the need for (a) diagnostic or treatment centers; (b) hospitalization for chronically ill and impaired; (c) rehabilitation facilities; (d) nursing homes; and, to provide for the construction of special facilities as may be determined advisable or needed by the respective States.

In the years since the original Hospital Survey and Construction Act was approved by the Congress and signed by the President, approximately 2,200 construction projects have been approved. Federal expenditures for these projects amounted to approximately $600 million, and more than $1¼ billion of this total expenditure was provided by State, local, and other funds. Thus, the $1 that was expended by the Federal Government was met by and even, perhaps, inspired or encouraged by the spending of $2 by non-Federal groups.

These 2,200 construction projects have provided 106,000 additional beds. Of these, 6,000 were general—medical and surgical—11,000 were for mental cases, 6,000 for tuberculosis cases, and 3,000 for those afflicted with chronic diseases. This shows remarkable progress and most apparently was appreciated by all of the communities, especially when it is noted that such a large cross section of communities in the United States applied for and received these benefits which they otherwise could not have secured. However, the total number of beds are still short of the actual need. For example, approximately 70 percent of the need has been supplied in the field of general beds—medical and surgical—and only 12 percent of the need has been provided in the case of chronic diseases. The advancement of medical science has made it possible to overcome certain categories of illnesses and human illnesses with the result that the needs vary from time to time in these various fields.

This new bill, H. R. 8149, briefly, provides the following:

Two million dollars for survey of needs within the State with a minimum allotment of $25,000 to any one State;

Twenty million dollars for the construction of hospital facilities for the chronically ill and impaired;

Twenty million dollars for the construction of diagnostic or treatment facilities;

Ten million dollars for the construction of rehabilitation facilities; and

Ten million dollars for the construction of nursing homes.

All four of these categories will be eligible only and if they are for public or nonprofit purposes.

Practically all of this type of assistance to the sick and needy has been not only under consideration but also in actual operation from a public and nonprofit point of view with the exception of nursing homes. Naturally, this raised a point in question on the part of the various associations of licensed nursing homes in a number of States. It was an expression of a fear that, perhaps, this was a means of setting up State-owned and operated nursing homes in competition with privately owned and State-licensed nursing homes. The committee felt that safeguards were made in the legislation and also in the committee report that would protect these various groups that have been operating nursing homes and similar facilities, from any such competition. In fact, it was pointed out that the recognition of the nursing home as one of the important adjuncts to the Hospital

Survey and Construction Act would further the cause of the private nursing home.

This proposal further represents an auxiliary approach to the provision of beds for patients with chronic illnesses and impairment who are not in need of the intensive medical and nursing care that generally is provided in hospitals. It also should be pointed out that not only the hearings in the committee but also the report emphasizes the fact that individuals may not secure any of these funds in the expectation or hope of building any of these facilities for their own personal or private gain.

There are two very important points to this legislation. First of all, the President has expressed himself in absolute opposition to socialized medicine. I heartily commend and join him in this declaration. I also join him and all others who have done so much to turn back the socialistic trend that was apparent in many fields of endeavor, and most especially that was being advocated in the field of medicine. The operation of the Hospital Survey and Construction Act has been an encouragement to the private practice of medicine instead of the State-control of medical services. This amendment to that act further strengthens that conviction.

The second important point is the fact that this act provides assistance to the States. It is a further important part of the much-longed-for desire to return the proper authority to the States as is provided in our Constitution.

Special reference is made to section 635, page 18, of the printed bill:

SEC. 635. Except as otherwise specifically provided, nothing in this title shall be construed as conferring on any Federal officer or employee the right to exercise any supervision or control over the administration, personnel, maintenance, or operation of any hospital, diagnostic or treatment center, rehabilitation facility, or nursing home with respect to which any funds have been or may be expended under this title.

This emphasizes the fact that this authority will be left with the States for the determination of their needs.

A further conclusion that makes this legislation especially worthy is the fact that it distinguishes between social service and socialistic practices. In other words, the Federal Government does not ask to own nor to control any of the health facilities but it leaves that control to the States, local communities, and other nonprofit groups. The intent, of course, is to secure and encourage a broadening of these facilities for the many people who need medical attention, and to assist the medical profession in the furtherance of their worthy desire to continue to be of greater service.

Mr. CROSSER. Mr. Chairman, I yield 1 minute to the gentleman from New York [Mr. KLEIN].

Mr. KLEIN. Mr. Chairman, I take the floor at this time to make just one brief observation. I understand the gentleman from Indiana [Mr. BEAMER] made some reference to politics in connection with this legislation. I want to state as emphatically as I know how that there is no partisanship in connection with this issue. As a matter of fact, there has been very, very little partisanship during the time I have served on this committee.

I want to commend our chairman, the gentleman from New Jersey [Mr. WOLVERTON], as well as our former chairman, the gentleman from Ohio [Mr. CROSSER]. One of the things we pride ourselves about in our committee is that there is so little, if any, partisanship, and any bills coming out of the committee are reported for the good of the entire Nation and without regard to political consequences.

Mr. CROSSER. Mr. Chairman, I yield 9 minutes to the gentleman from Rhode Island [Mr. FOGARTY].

Mr. FOGARTY. Mr. Chairman, I listened to my friend from New Jersey a few moments ago tell the House that the 80th Congress, under control of the Republican Party, as I remember it, appropriated $75 million for hospital construction under the Hill-Burton Act in 1948 and that the Truman administration only asked for $50 million and that in 1949 the 80th Congress appropriated $75 million. I do not remember what was asked by the Bureau of the Budget.

I was a member of the Committee on Appropriations at the time that the first appropriation was made under the leadership of Frank Keefe, of Wisconsin, who was a great advocate of this program. The fiscal year 1948 was the first year that this Congress was called on to appropriate any money. It did not appropriate anything in 1948. What we did was give contract authority for $75 million, but did not appropriate a dime.

In 1949 we appropriated $15 million and authorized for contract authority $75 million.

In 1950 after the act had been amended and changed by unanimous vote in this House, and I believe in the Senate, by your votes, those of you who were here in 1950, you authorized an annual expenditure of $150 million. That was the first year it went from $75 to $150 million. So we gave contract authority for $150 million in 1950, but we still only appropriated $40 million in that year.

In 1951 the Bureau of the Budget again authorized $150 million, but we only appropriated $85 million. The House, I think, that year appropriated $75 million and the Senate added on $10 million more, and as a consequence we appropriated in 1951 $85 million.

In 1952 we got out of the contract authority stage then. It was then decided by the Bureau of the Budget that there shall be no more contract authority, that is, binding future Congresses to appropriate so much money. We got out of the contract authority business in 1952, and we appropriated then $82.5 million.

In 1953 we dropped back to $75 million, even though we still had an authorization of $150 million. The bill was extended against last year for another 2 years, as I understand, by unanimous vote of this body, authorizing the expenditure of $150 million.

For fiscal 1954 the Bureau of the Budget allowed $75 million of the $150 million authorized, but the committee of which I am a member cut it from $75 million last year down to $50 million, and by a rollcall vote last May in this Chamber this House refused by 6 votes to go from $50 million to $75 million to be expended in 1954. I do not remember how much the Senate raised the figure of $50 million, but we came out of the conference with $65 million for the fiscal year that we are operating in at the present time. So we have gone down $10 million since fiscal 1953 to $65 million in fiscal 1954.

Now, what is the Bureau of the Budget asking for this year for hospital construction under the Hill-Burton law which you men and women voted to extend last year with authorization of $150 million? Your administration this year is requesting of this Congress $50 million for hospital construction or $100 million less than the Congress by unanimous vote authorized last year for fiscal 1955 starting July 1 of this fiscal year. This despite the fact that I do not know how many thousand additional beds are needed at the present time. Despite the fact that, in my opinion, this has been one of the best run governmental programs of any kind. There has been no politics in this program at all. It did not make any difference what State you came from or what congressional district you came from, these projects were allocated with no regard for politics. In fact, the States themselves, under the medical committees set up in the various States, were the ones who selected the projects and selected the percentage of grant that they would take under this program and the percentage that the State or the local community would put up to pay its share of these particular projects.

Mr. HARRIS. Mr. Chairman, will the gentleman yield?

Mr. FOGARTY. I yield to the gentleman from Arkansas.

Mr. HARRIS. I ask the gentleman to yield for the purpose of filling in the information he alluded to a moment ago with reference to the need for additional hospital beds. As of June 30, 1953, in the categories authorized under the Hill-Burton Act, that is, general, mental, tuberculosis, and chronic, there is need for 846,678 additional beds in the United States and Territories.

Mr. FOGARTY. I thought it was in the neighborhood of 800,000 but I was not sure.

There is one thing I want to make sure of before I sit down, and that is that I did not offend my good friend from New Jersey, because I remember in the fiscal year 1948–49, when the 80th Congress had control of this bill, that he was one of the prime supporters of this bill originally and always supported the appropriations. I mean no reflection on the gentleman at all, but I do know there was some mix-up in what was considered appropriations and what was considered contract authority at that time. We are no longer considering anything like contract authority in the budgets that we have before us at the present time.

Mr. CANFIELD. Mr. Chairman, will the gentleman yield?

Mr. FOGARTY. I yield to the gentleman from New Jersey.

Mr. CANFIELD. As one who follows the philosophy of the gentleman from Rhode Island in his approach to this

subject, I rise now to ask him this question: Is it not true that during the 8 years we have been appropriating funds to carry out the purposes of the Hill-Burton Act only once during those 8 years has any administration asked for the full amount of $150 million authorized by the legislative enactment?

Mr. FOGARTY. The gentleman is correct. In 1950 the budget called for an appropriation of $75 million and we raised that to $150 million in contract authority and in fiscal 1951 the budget was for $150 million and that was granted.

Mr. CANFIELD. $85 million?

Mr. FOGARTY. No; we gave contract authority for $150 million. That was the last year of contract authority, if the gentleman will remember. Does the gentleman recall that omnibus appropriation bill we had at that time? We worked on it for 2 years. One of the tail-end amendments that was adopted by the House was to put in reserve 10 percent or some percentage of the funds. It was then that $75 million was withheld, after we had authorized $150 million. Then $10 million was appropriated in a deficiency bill, which makes the total of $85 million referred to by the gentleman.

Mr. HINSHAW. Mr. Chairman, I yield 5 minutes to the gentleman from Illinois [Mr. BUSBEY].

Mr. BUSBEY. Mr. Chairman, I have asked for this time just to clear up one or two points; not that I am in opposition to the work the Committee on Interstate and Foreign Commerce has done, because I had the honor of serving on that committee at one time and the chairman of the committee is one of my dear friends. I have no higher regard for any Member of the House than for the gentleman from New Jersey [Mr. WOLVERTON].

However, on pages 5 and 6, under "Part G—Construction of Diagnostic or Treatment Centers, Chronic Disease Hospitals, Rehabilitation Facilities, and Nursing Homes," I notice that we have a proposed total authorization of $60 million for what could properly be called categorical grants. I sometimes wonder about the advisability of legislation containing categorical grants. Programs develop and categories allow for requests for larger and larger sums each year; and it never is possible to retrench. But the question is, Why authorize $60 million for construction, when the existing act contains $100 million above the 1955 budget request? In other words, as my good friend, who served on the Committee on Appropriations with me and has served so admirably for 11 years, the gengentleman from Rhode Island [Mr. FOGARTY] pointed out, there is already authorization for $150 million in this construction program. It does seem to me it would be a little better if we made a shift in the program—to have it done by a change in the language, rather than to have this categorical grant. I am sure the committee must have had some good reason for doing that, and I would be very happy if the chairman or the gentleman from Arkansas [Mr. HARRIS], who introduced the bill to extend the law 2 years ago, would give me the reasoning back of that.

Mr. WOLVERTON. The reasoning back of the categorical manner of approach was in order that there would be an incentive given to the building of those facilities which the evidence showed were so necessary. The testimony demonstrated that so long as they were made a part of the original Hill-Burton Act there had not been that recognition of the necessity, which in the opinion of those who were best informed, thought there should have been. Consequently, by making it a categorical reference, as we have done under title G, the purpose we sought to serve was that attention would be directed to it, and that it would give recognition to the importance of it, and encourage the building of those special facilities which, as you know, with one exception, could not be built under the Hill-Burton Act except in connection with a hospital. Those were made on the basis that they could be constructed without regard to connection with a hospital, to the end that communities that had no hospital could have the benefit of those different facilities.

Mr. BUSBEY. I thank the gentleman for the explanation, but my question is still unanswered as to why this could not be done by a change in the language of the act, rather than by categorical grants.

Mr. WOLVERTON. Do I understand the gentleman is opposed to it in principle, or opposed to the draftsmanship or the manner of approach?

Mr. BUSBEY. No. It is fear on my part that, after we get into these categorical grants, they will be built up next year, and built up and built up, like a great many other things are.

The CHAIRMAN. The time of the gentleman from Illinois [Mr. BUSBEY] has expired.

Mr. WOLVERTON. Mr. Chairman, I yield the gentleman 3 additional minutes.

I would say in answer to that that I do not have the fear which the gentleman expresses for this reason, but if it should be possible in the future to build up, build up, as the gentleman has indicated, it would be very gratifying to me for the reason that I do not know of anything I would rather see built up than the appropriations to take care of the ill and those who are handicapped in life.

Mr. BUSBEY. I agree in that, but let me read you the language on page 60 of a booklet published by the United States Department of Health, Education, and Welfare, on general hospital beds. It says:

> The dangers of encouraging overbuilding, the great potentialities of home-care programs for reducing the need for hospital care, and the incompleteness of the data on which decisions must be based, all point toward the idea of conservatism in making estimates for bed needs.

That is from their own booklet—from the organization that administers this program.

There are a few questions that come to my mind which I believe should be resolved before we think of authorizing another $60 million for categorical grants.

Should we continue approving additional authorizations, when we find existing facilities with such low occupancy that they are on the verge of closing, or must increase their charges; thus aggravating the situation?

In a review of the 1954 budget requests, we found that 47 percent of the facilities in 8 sampled States had less than what the Commission on Hospital Care said were low-occupancy rates.

What is going to happen to the present low-occupancy rates of existing hospitals if patients are placed elsewhere?

If Public Health Service reports hospital beds now used when not needed, and if we still have low occupancy, why not attack the problem of proper utilization by doctors and hospital administrators; thus making available more beds, if they are really needed?

Does anyone consider the report made in September 1953 by Public Health Service that "The scale of present construction has led some to question whether the country is not overbuilding its hospital plant"?

If the program has been so satisfactory, and in 7½ years provided 29 times as many general beds as chronic-disease beds, how can we expect States and communities to build chronic-disease beds to the extent of about half of all beds built hereafter?

How are sponsors going to qualify now for these facilities, when they did not in the past 7½ years? The committee reports that only 1 of 8 chronic-disease beds needed has been built to date.

Why do we not recognize that separate facilities for chronic disease may not be the answer, as the Public Health Service reports:

> There are many who believe that all, or a substantial portion, of chronic long-term patients should be cared for in general hospitals.

There is one other point that I would like cleared up on page 13 of the committee report. I was puzzled about the definition of "transportation facilities" in the report.

Mr. WOLVERTON. I can answer the question if you wish me to do so. The reference to which you have made is in the bill, and it was due to the fact that we had found by experience in some States that it would be necessary to have ambulance service in connection with the hospitals, and it was for that purpose that we made certain that it would be covered in the language of the bill.

Mr. BUSBEY. I thank the gentleman.

Mr. O'HARA of Minnesota. Mr. Chairman, will the gentleman yield?

Mr. BUSBEY. I yield to the gentleman from Minnesota.

Mr. O'HARA of Minnesota. I wonder if the gentleman could answer this question, as he serves on the Appropriations Committee and is, I believe, chairman of the subcommittee which deals with this subject. That is, as to what the gentleman's attitude as to categorical grants and the general grants under the Hill-Burton Act; because we had some differences of opinion here on the floor last

year over the amount granted under the Hill-Burton Act.

Mr. BUSBEY. In reply to the gentleman from Minnesota, I must admit I was, unfortunately, not here during all of the general debate, because our subcommittee conducted hearings from 9:30 this morning straight through until 1 o'clock. I have expressed my ideas and, without going into the matter in too much detail, I would like to see this condition taken care of by a language change in the present law.

Mr. CROSSER. Mr. Chairman, I yield 7 minutes to the gentleman from Florida [Mr. ROGERS].

Mr. ROGERS of Florida. Mr. Chairman, I want to preface my remarks by saying that I favor the provisions of this bill. There is one amendment I think would help the bill, clarify it to some extent. As a matter of fact, I discussed this amendment with the office of Mrs. Hobby, the Secretary of Health, Education, and Welfare, and they said that they would not object to this amendment which I am going to offer at the proper time.

Mr. WOLVERTON. Mr. Chairman, will the gentleman yield?

Mr. ROGERS of Florida. I yield to my distinguished chairman.

Mr. WOLVERTON. I assume the gentleman is referring to the insertion of the words "or surgery" on page 14, line 24; the same on page 15, line 14; and on page 15, line 24.

Mr. ROGERS of Florida. Those are the words of my amendment.

Mr. WOLVERTON. So far as I have been able to ascertain, there is no objection on this side of the aisle to the inclusion of that amendment. I should be glad to hear from the gentlemen on the other side of the aisle as to their attitude.

Mr. HARRIS. Mr. Chairman, will the gentleman yield?

Mr. ROGERS of Florida. I yield tc the distinguished gentleman from Arkansas.

Mr. HARRIS. I should like to hear the gentleman's explanation of his proposed amendment. At this time I would want to reserve an opinion on it until after I have heard the gentleman's explanation of what it will do.

Mr. ROGERS of Florida. I shall be very glad, for the accommodation of my distinguished and able colleague from Arkansas, to explain the provisions of this amendment that I intend to offer.

If the gentleman will refer to pages 2 and 3 of the House report, he will see this language used:

> The bill, in addition, authorizes assistance in the construction of certain types of facilities not now covered by the hospital survey and construction program, namely, rehabilitation facilities and diagnostic or treatment facilities when not part of a hospital, and nursing homes.

To be eligible for Federal assistance, these facilities must show that all patient care is under the direction of persons licensed to practice medicine in the State.

Here is what I am trying to do with my proposed amendment: to provide not only that they shall be licensed to practice medicine, but to provide that if the States license them to practice surgery they are entitled to the benefits of this bill. If we did not have that amendment, do you know how many States would be discriminated against from the standpoint of Federal assistance? Twenty-one States; by that I mean that there are 21 States, including the District of Columbia and Hawaii, where osteopathic graduates are licensed to practice surgery and not to practice medicine; because they are not expressly licensed to practice medicine the applicant facility might not use their professional services in a diagnostic or treatment center, or rehabilitation facility or nursing home. Whereas there are 15 States where osteopathic graduates are expressly licensed to practice medicine.

Mr. HARRIS. Mr. Chairman, will the gentleman yield at that point?

Mr. ROGERS of Florida. I yield to the gentleman from Arkansas.

Mr. HARRIS. I think it is pertinent to the explanation the gentleman is making. Does the gentleman mean to say that in some States they license a person to practice medicine who is not permitted to practice surgery?

Mr. ROGERS of Florida. Answering that I will state there are 15 States where they expressly license osteopaths to practice medicine. There are 21 States where they license them not to practice medicine but to practice osteopathy and surgery. The word "surgery" inserted here would do away with that discrimination. My State of Florida would be discriminated against unless my amendment were adopted.

For the information of some of the gentlemen who may lean away somewhat from what I am trying to do here, I will say that the Congress on two former occasions adopted the policy incorporated in my amendment. Public Law 558, 75th Congress, amended section 40 of the United States Employees Compensation Act to read as follows:

> The term "physician" includes surgeons and osteopathic practitioners within the scope of their practice as defined by State law.
>
> The term "medical, surgical, and hospital services and supplies" includes services and supplies by osteopathic practitioners and hospitals within the scope of their practice as defined by State law.

You recognize this same principle, and this is what a great number of you did. A lot of us were not here in the 75th Congress, but we spoke out again in the Social Security Amendments Act of 1950, and here is what is included in that act:

> When used in this act * * * (7) the terms "physician" and "medical care" and "hospitalization" include osteopathic practitioners or the services of osteopathic practitioners and hospitals within the scope of their practice as defined by State law.

That is all my amendment is; it is a simple amendment, very simple. I do not believe any Member present does not want to take care of a State that licenses a person to practice surgery instead of medicine; I do not believe you want such a State shut out. What we are trying to do is preserve the principle and policy adopted by the 75th Congress, and also the 81st Congress. I hope that when I offer this amendment—I am quite sure that the gentleman from New Jersey, my distinguished chairman, will accept it—and when I say distinguished and hardworking, Mr. Chairman, I mean it—one of the hardest-working men in this Congress, as well as one of the ablest. I have never served under a chairman more conscientious, energetic, and fairer than CHARLIE WOLVERTON.

Mr. WOLVERTON. Mr. Chairman, I yield 5 minutes to the gentleman from Ohio [Mr. SCHENCK].

Mr. SCHENCK. Mr. Chairman, it is a great honor and a real privilege to serve on the Committee on Interstate and Foreign Commerce and I would be remiss if I did not call attention of the House to some of the aspects of our committee. First, our chairman, the gentleman from New Jersey is an indefatigable worker who plans the work of the committee with great care and who invites witnesses to testify from all points of view on pending legislation so that members of the committee hear all shades of opinion and are given ample opportunity to pursue such questions as may occur to them. All of us members of the committee and the Members of the House owe a debt of gratitude for this fine and able leadership of our capable chairman, the Honorable CHARLES A. WOLVERTON. Secondly, the members of the committee representing both major political parties are very well qualified and are deeply conscious of their responsibilities, and third, while there are at times natural differences of opinion on certain aspects and points of consideration, political party lines are not in evidence as a part of such differences of opinion and points of view are resolved entirely in the public interest.

We are here today considering H. R. 8149, to which I have personally given careful consideration and study. It is a good bill and I trust will be promptly approved both here by the House and in the other body.

It is a temptation always, of course, to discuss the overall and specific merits of a bill at a time like this and no doubt the bill will have ample discussion of its particular benefits.

To me one phase of the bill has particular significance and I refer to that section which has to do with the method of making the allotments to the States.

The committee heard with deep interest and very careful attention a detailed explanation as to how these allotments are determined. Well qualified officials of the Department explained fully how these allotments are based on a consideration of the 3-year average of the per capita income of residents of each State compared to a similar 3-year average per capita income for the United States. Further, they explained how these results are then related to the population of each State, the unmet need for hospital beds in each State and that as a final result a percentage figure is obtained which is completely fair to each State and also the United States. Also that this final percentage figure can be justifiably used in each of the special categories of hospital needs in relation to the amount of money finally appropriated by Congress under this authorization. As a member of this committee, I

was highly pleased with the very apparent fairness of the complicated formula. I was also especially pleased and felt understandably proud when one of these highly trained and able witnesses said, when asked who developed this excellent formula, "Senator Taft did a very great part of the work in developing this splendid formula." I am sure you will agree with me, my colleagues, that this is but another example of the great understanding, grasp, and ability of our mutual friend, the late Senator Taft, with whom I had the privilege to work for many years and whose home was located about 50 miles south of my home in the 3d District of Ohio. Ohio and the Nation lost a great man and a great American statesman when Senator Taft passed away, but his work and ability like that of all truly great men, lives on and benefits all of us.

Mr. Chairman, H. R. 8149 is a good bill and I trust the House will approve it promptly.

Mr. PRIEST. Mr. Chairman, will the gentleman yield?

Mr. SCHENCK. I yield to the gentleman from Tennessee.

Mr. PRIEST. I simply want at this point to go on record as concurring fully in what the gentleman said about the distinguished late Senator Taft of Ohio. He, the gentleman from Minnesota [Mr. O'HARA], I, and others on the subcommittee worked for many, many days in conference on the development of this formula. Much of the good work that was done on this formula was done in conference. Senator Taft made a great contribution to what has proven to be one of the most successful formulas in any grant-in-aid program ever enacted by the Congress. I want to pay that tribute to the contribution made by a very great man.

Mr. SCHENCK. I thank the gentleman.

Mr. CROSSER. Mr. Chairman, I yield 12 minutes to the gentleman from Virginia [Mr. HARRISON].

Mr. HARRISON of Virginia. Mr. Chairman, I ask unanimous consent to speak out of order.

The CHAIRMAN. Is there objection to the request of the gentleman from Virginia?

There was no objection.

Mr. HARRISON of Virginia. Mr. Chairman, I want to address myself to a matter that is of very grave concern to the rural people of our country, a matter of great injustice to them, being carried on by the administrators of the Post Office Department.

The postal deficit for the fiscal year 1953 was $662,851,000. A very small part of that—about 3½ percent of it—might be traced directly to the operation of rural post offices, fourth class, throughout the United States. If all of those post offices were discontinued, every one of them closed down, and the people now receiving service therefrom were given no service whatsoever, the postal deficit this past fiscal year would still have been approximately $640 million.

Now, I favor, and I think the rural people all over the United States favor, any measures, however small, which result in economy in the operation of the postal department and which will not incur interruption of service. I do not think the administrators of the Post Office Department would find any objection from any rural area to the discontinuance of any post office where such discontinuance would result in economies without impairment of service.

When this matter first came up, I sought and obtained from the Postmaster General personal assurances that, in the making of these decisions on rural postal service, there would be no political consideration whatsoever; that the matter would be determined in each individual case on the outcome of nonpartisan investigations made by the field officials of the Post Office Department, and that no consideration would be given whatever to any partisan advantage. Now, I was not satisfied with that, Mr. Chairman. I wrote and asked for written assurances, and I received a letter from our distinguished former colleague, the Honorable Ben Guill—executive assistant to the Postmaster General—in which he said, first, "that the decision in regard to fourth-class post offices will be entirely nonpolitical"; second, "they will be based primarily on the objective reports of inspectors in the field;" third, they "will be made only after consultation with the Members of Congress involved;" fourth, "in short," he said, "any investigation and action undertaken will be done so with the full understanding that the postal service is the possession of all the people of the United States and not of any one political party."

Now, I have no doubt that Mr. Guill meant what he said and intended to be entirely truthful, but he reckoned not on the effect of the political pressure from patronage-hungry local political organizations on his superiors.

Despite the assurance referred to as No. 3 that the decisions "will be made only after consultation with the Congressman involved," I was amazed to read in the newspaper an announcement from the State chairman of a political party of the projected discontinuance of post offices in my district of which I had no previous knowledge.

The chairman referred to was the chairman of the Republican Party. But that is beside the point. It would be just as improper for these decisions to be funneled through the chairman of any other political party. Postal service is, in the language of Mr. Guill, "the possession of all the people of the United States and not of any one party."

I immediately wrote a letter of protest to the Postmaster General, and, although I have never received any answer to that, I was answered in the public press by the State chairman referred to.

In this statement, he made no contention that the decisions were nonpolitical or that they were not being funneled through him. He said:

I admit I am not infallible, but I refuse to admit that I haven't done my best to serve all the people in these matters.

He further said:

I have never had any suggestions, as I remember, from Representative HARRISON about any of these matters. If I had, I would certainly have appreciated them.

Now, Mr. Chairman, that is a pretty how-do-you-do. After being assured by the Postmaster General that no decision would be based on the recommendation of a political committee, and that, as a Representative of the people, I would be informed of all contemplated decisions, I am criticized because I did not appeal to the political committee.

In his letter, Mr. Guill said that the decisions would be based on the objective reports of the inspectors in the field. Apparently, the local politicians have learned how to produce an objective report from the inspector in the field.

I hold in my hand a statement from the chairman of the Virginia Seventh District Republican Committee made to the public press. With reference to one small community, he says: "I am happy to be able to assure the citizens" that the office will not be discontinued.

How can he assure them?

He tells us in a public statement:

Both the postal inspector for this area and I are in complete agreement that the office is needed.

The inspector and I.

That is a nonpolitical decision.

That is the way to get an objective report.

That is showing full understanding that the postal service belongs to all the people and not to one political party.

In another county, the original announcement called for the discontinuance of 7 post offices. Later, this number was reduced to 5, and this same political chairman announced in the public press that "This decision to continue the 2 post offices is in keeping with the recommendations" of the local Republican committee.

Mr. Chairman, again I say that I would have no criticism of a policy to discontinue an office where nonpartisan investigation shows that such action would result in economy without impairment of service.

But these political committees are not deciding this public question on the basis of economy to the taxpayer. Neither are they deciding them on the basis of efficient service to the public.

They are saving a few in communities where the public protest is such that it becomes politically expedient so to do.

In other communities, the decision seems to be based on the question of where a postmaster of one political party can be replaced by a rural carrier of another, and these decisions are made without regard to economy or efficiency but solely with regard to whether or not it is of benefit to patronage-hungry political organizations.

I would like simply to ask what we are heading into in the administration of the Post Office Department. We have at the present time by and large a loyal army of postal employees appointed under civil-service regulations after civil-service examinations. Under the Hatch Act they are not engaged in any politics whatsoever and may not engage in politics under penalty of violation of the law.

I was very much surprised the other day to read a statement by our distinguished majority leader made in the atmosphere of the chicken dinner at a local arena on Lincoln's Birthday. He

is quoted in the Washington Star as saying:

Representative HALLECK said he personally would like to remove civil-service protection from all postmasters so that those appointed during Democratic administrations could be replaced by Republicans. He said present civil-service protection was phony.

Mr. BROWNSON. Mr. Chairman, will the gentleman yield?

Mr. HARRISON of Virginia. I yield to the gentleman from Indiana.

Mr. BROWNSON. In my area it is rather the opposite. Every fourth-class post office that has been consolidated has placed one of the few Republican postmasters on the unemployed list. Would it be possible that it might be because any consolidation in the gentleman's district would naturally place Democratic postmasters on the unemployed list?

Mr. HARRISON of Virginia. That is not correct. In one county they do eliminate 16 post offices, but you get 4 rural carriers in place of them. I maintain that this service should be considered only from the public viewpoint and not from the political viewpoint.

Mrs. ST. GEORGE. Mr. Chairman, will the gentleman yield?

Mr. HARRISON of Virginia. I yield to the gentlewoman from New York.

Mrs. ST. GEORGE. I have great sympathy for the gentleman, but I would like to tell him that I also represent a rural area in the great State of New York and that many of my fourth-class post offices have been eliminated. They have been consolidated in most instances under Democratic postmasters who are still in office. My complaint is that quite a few whom I consider very worthy Republicans are being thrown out of jobs, and these little offices are being consolidated under a Democratic postmaster. So you see we all have the same complaint, depending on whose ox is being gored.

Mr. HARRISON of Virginia. May I ask the distinguished gentlewoman a question? Does she agree with the majority leader that the civil-service laws should be repealed and that all present postmasters should be discharged?

Mrs. ST. GEORGE. I do not think the distinguished majority leader made that statement.

Mr. HARRISON of Virginia. I can show the gentlewoman the quotation.

Mr. PRICE. Mr. Chairman, will the gentleman yield?

Mr. HARRISON of Virginia. I yield to the gentleman from Illinois.

Mr. PRICE. I think the statement of the gentlewoman from New York points up the fact that the Democratic administration evidently must have adhered to civil service if so many Republicans have been put out of jobs by consolidation.

Mr. HARRISON of Virginia. I have here an article which apparently shows what we may expect. This is an article by that budding leader, Clarence Budington Kelland, appearing in the American Magazine, and reprinted fully as policy in the U. S. News & World Report. It is headed "A Republican's Advice to Ike." This article purports to set forth the policy that must be followed by the Eisenhower administration to "save its own neck."

This is an illuminating article, and I recommend its study by the Congress.

Mr. Kelland says, and I quote him:

The unhappy fact is that the rank and file of party workers are discontented and disgruntled.

What are they discontented and disgruntled about?

Mr. Kelland proceeds to tell us that they are disgruntled because of:

This threat to the very life of a republican form of government as guaranteed to us by the Constitution, the octopus of civil service.

He says further:

Civil service is the Old Man of the Sea riding the shoulders and shutting off the breath of this Eisenhower administration.

Mr. Kelland summarizes that:

Our form of government is being threatened by an entrenched civil service.

So, Mr. Chairman, we sum it up. Since the days of Grover Cleveland down through the administration of Woodrow Wilson, our country has made enormous progress in eliminating the spoils system in the operation of our Government.

But now we see the postal service to our rural citizens throughout the country being determined, not through nonpartisan decisions of the duly constituted civil-service officials, but by political committees whose members, not public officials, are able, nevertheless, to manipulate postal service to all the people in the interest of jobs under the spoils system.

And, then, we have the open threat from responsible leaders to do away with the civil-service system throughout the Government and replace it with the spoils system.

Mr. HALLECK, in his statement which I have referred to earlier, is also quoted by the Washington Star as saying that, while he advocated a change in the law to remove the civil service protection of postmasters, he had to face up to the fact that there were not enough votes in Congress to enact such a law now.

Mr. Chairman, this is a great tribute to the present membership of Congress.

The CHAIRMAN. The time of the gentleman from Virginia [Mr. HARRISON] has expired.

Mr. HINSHAW. Mr. Chairman, I yield 2 minutes to the gentleman from Washington [Mr. PELLY].

Mr. PELLY. Mr. Chairman, I will now address myself to the matter of the health of the American people rather than to the health of certain postmasters.

Any disagreement across the aisle this afternoon or any partisan discussions only emphasize the widespread support that this legislation enjoys. Every attempt to claim credit for past attitudes in support of Hill-Burton appropriations is an eloquent argument for the bill.

In the limited time available, I will confine my comments to part G, section 651 (4) of H. R. 8149 which deals with grants for construction of public and nonprofit nursing homes. One of the objectives of extending the scope of the Hill-Burton Act, according to the Secretary of Health, Education, and Welfare, is to release hospital beds. In other words, the aged and incapacitated who do not require hospital and costly medical services would have other less expensive facilities available to them. As the chairman of the committee stated, the average cost of a hospital bed is $18.35 a day, whereas, in a nursing home adequate care would be available at a cost of from $2 to $6 a day, if such beds in nursing homes were available.

Mrs. Hobby stated that matching grants to non-profit and public agencies would not adversely affect present private enterprise licensed nursing homes. I must confess that I had some concern in this score. I know that in my own State of Washington we have at present 8,400 beds with some vacancies in nursing homes. In addition, a canvass of one-half of the State indicated that 2,000 adtional beds were being provided under present or proposed construction and that more would be built if the threat of State competition were removed. In my State, private nursing homes take care of 65 percent of the indigent patients for which the State pays from $3 to $6 a day. I was concerned that if Federal grants were available, it might give some public ownership exponents the idea of having the States go into the nursing-home business.

Dr. Cronin, of the Department of Health, Education, and Welfare, assured me that in our State of Washington, a good job is being done by private enterprise and, normally, I would not have been favorable to inclusion of nursing homes in this legislation. However, the fact remains that the States themselves under this legislation must survey their needs and if a good job is being done, I must assume that no nonprofit or State institutions will be established.

In other words, in approving this bill in committee—and I voted to report it favorably—I referred to the need of other States which, I am told, do not adequately meet the nursing-home needs of their citizens.

This legislation puts the whole matter up to the individual States. It does not put the Federal Government in the nursing-home business. Later on, our committee hopes to report legislation which will assist private licensed nursing homes with their long time financing problems. Thus, in supporting this bill, I hope that private enterprise will be given first opportunity to meet the needs of their communities and States.

It should be noted, too, that the American Medical Association supports this bill in principle as does the hospital association in my State of Washington. On this basis, I will vote for this bill as reported.

Mr. HINSHAW. Mr. Chairman, I yield 2 minutes to the gentleman from Indiana [Mr. BROWNSON].

Mr. BROWNSON. Mr. Chairman, in involved discussions, such as this debate today, where we are concerned entirely with the techniques and implementation of Federal aid programs, we sometimes are inclined to forget that there is still another way of improving our hospital and other community facilities—a way, not born in ever continuing emergency, not dependent on the whims of Congress or the Executive or even of the States

but a way with its roots deep in American community tradition.

Getting things done for their home community is just what the average man or woman expects of responsible citizens under real leadership and it is just what the community fathers do in Indianapolis. Our citizens work together to make this constantly a better community. They believe that this involves a host of things. All of them add to our general welfare and prosperity—better schools, adequate hospitals, safer, freer movement of traffic, cleaner air, efficient government, growing industries, and steady development of new industries to give a growing population better employment and business opportunities.

The people of Indiana and their capital city of Indianapolis hold to a basic philosophy while they pursue all these worthy aims, including the building of hospitals. In the past decade they have often given expression, officially through their legislature and individually as citizens, to the conviction that freedom is nurtured best by holding government to the minimum and keeping it essentially local, close to the people who consent to be governed. They have sought to repel the encroachment of centralized national government, to reverse the trend toward dependence upon a distant Federal Treasury and acceptance of Federal controls. They prefer to be self-reliant.

And all of this has not been mere talk, mere repetition of noble sentiment. For in Indiana and in Indianapolis, repeatedly the citizens have given abundant proof of the depth of their convictions, by assuming and discharging their responsibilities as citizens.

Most noteworthy of this past year in Indianapolis was the successful completion of the unprecedented $12 million voluntary fund for hospital construction for private patients. It was record-breaking in many ways.

It is the most significant event in all the long history of civic progress in Indianapolis.

This $12 million plus is many times over the largest sum ever raised in our community for a single enterprise by voluntary action from 110,000 donors. Not one penny of Government money was sought for a needed purpose, for which most communities seem to feel they must depend upon taxation. No Federal aid of any kind was requested. No other community of which we have knowledge has ever raised so large a fund in so short a time. Only one other united hospital construction fund has ever exceeded the total raised here. In that community, many times larger than Indianapolis, the job required more than 4 years, as against 13½ months here, which was the time we allotted ourselves to do the job. No other large fund drive of which we have knowledge was ever so generously supported by employee giving. Here $3¼ million was pledged, mostly on payroll deductions by employees of our business firms and public offices.

And so, Indianapolis will soon see the start of construction of an entirely new general hospital on the east side, of a new and larger private hospital for treatment of mental illness, and of additions to two major general hospitals. All this will be a net addition of 628 beds for private patients, and thus meet a need which has accumulated over the past 25 years of community growth and rapid expansion of hospital insurance.

All this, the Indianapolis Medical Society informed the community 4 years ago, had made the need for these beds most acute. It was the sober appraisal of our needs by the medical society and the formal request of that body to the Indianapolis Chamber of Commerce which started the ball rolling.

Directors of the Indianapolis Chamber of Commerce, after investigation by a specially appointed committee, were the first to say, "This is a local need, which we can meet if we will but accept the responsibility." Then followed formation of the Indianapolis Hospital Development Association, Inc., raising of a survey fund of $25,000 to which the chamber contributed $5,000 out of reserve funds, and employment of competent hospital authorities to make a close survey of our needs. Then came the dedication to the task at hand, the raising of $12 million estimated to be needed for 728 new hospital beds.

In the association leadership and in the campaign organization, the officers, directors, members, and staff of the Indianapolis Chamber of Commerce have played a very large part. This whole structure of hospital-campaign leadership has been to a very large extent comprised of men who are or have been officers, directors, and committee members of the chamber joined by leaders of labor, the church, and the medical profession.

Raising such a huge unprecedented sum in Indianapolis, of course, appeared from the very outset to be a monumental task. Every leader, however, proceeded into the task with faith and determination.

Once more, as in now almost a score of important incidents, Indianapolis has shown to the rest of the country that it truly is self-reliant; that it places no dependence upon some other distant source; that it does not, as said the editors of the Saturday Evening Post, want Uncle's money, knowing that such dependence in the long run is costly both of money and freedom.

To all those who have contributed so much to the success of this campaign, our body of citizens expresses its warmest thanks. But to four especially whose faith was strongest, whose determination was never shaken, whose leadership was superb, go our very special appreciation. They are Willis B. Conner, Jr., general campaign chairman; George A. Kuhn, past president of the chamber and chairman of the board of directors of the Hospital Development Association; Edward F. Gallahue, president of the association; and Charles J. Lynn, honorary campaign chairman.

What follows in brick and mortar, and in the healing process of these new and larger hospital facilities, will be their special monument, tangible evidence of their devotion to civic welfare.

Mr. BUSBEY. Mr. Chairman, will the gentleman yield?

Mr. BROWNSON. I yield.

Mr. BUSBEY. I want to compliment the gentleman from Indiana and the fine community he represents, in great contrast to the $1,500,000 which the Federal Government put in under the Hill-Burton Act to build a big plush student building out in the medical center.

Mr. BROWNSON. I thank the distinguished gentleman from Illinois, chairman of the subcommittee of the House Committee on Appropriations concerned with such matters. I can assure him that the $12 million we raised locally for hospital beds is more representative of the sentiment of the citizens of our district than the Federal-aid financing of the restaurant and residence facilities of the Indiana University service center building although, in a sense, a case has been made that the service center also helps to relieve space in crowded hospitals for patient use.

The President of the United States recognized the self-reliance of the people in my district when he wrote:

THE WHITE HOUSE,
Washington, December 15, 1953.

Mr. WILLIS B. CONNER, Jr.,
General Campaign Chairman, Indianapolis Hospital Development Association, Inc., Indianapolis, Ind.

DEAR MR. CONNER: I am delighted to send heartiest congratulations to you and to your colleagues, Mr. Edward A. Gallahue, Mr. George A. Kuhn, and Mr. Charles J. Lynn. All of you have earned high commendation for your leadership in an extremely significant civic campaign.

The success of the $12 million subscription campaign of the Indianapolis Hospital Development Association is a tribute to excellent organization, rare diligence, and warmly responsive citizenry in your community.

This success is evidence, furthermore, of a most commendable spirit of self-reliance in your community. Accomplished without the participation of Federal or local government, this campaign is a stirring example to all citizens, everywhere, who are striving for the improvement of their respective communities.

You, your colleagues, and the 110,000 individual donors, have every reason to take great personal satisfaction in this outstanding accomplishment.

Sincerely,

DWIGHT D. EISENHOWER.

Mr. Conner replied to the President's gracious congratulatory letter:

MERCHANT'S NATIONAL BANK & TRUST CO.,
Indianapolis, Ind., December 22, 1953.

President DWIGHT D. EISENHOWER,
The White House, Washington, D. C.

DEAR PRESIDENT EISENHOWER: Last Thursday, December 17, was a red-letter day for our community. We oversubscribed our $12 million hospital campaign in a record 13½ months.

Congressman CHARLES B. BROWNSON, whom we all love and admire so much, presented to me, as the general campaign chairman, your wonderful letter of December 15. On behalf of my colleagues, the entire board of the Indianapolis Hospital Development Association, Inc., and the citizens of Indianapolis, I want to say "thanks." Your letter was not only timely but a most thrilling and fitting climax to a glorious venture in civic responsibility.

We in Indiana are selfishly proud of our spirit of self-reliance. We have demonstrated on several previous occasions this attitude and we truly believe that the success of our hospital campaign is another demonstration of this spirit.

Our greatest civic endeavor is giving to Indianapolis the finest Christmas present

she ever had. Your letter of congratulation has added much to our joy. Again, hearty thanks and best wishes from all of us Hoosiers for a very Merry Christmas and a continuance of the fine work you are doing.

Respectfully yours,

WILLIS B. CONNER, Jr.,
General Campaign Chairman.

Believing that the only wealth of our country exists in our home communities, the resourceful people I am so proud to represent have solved a major problem without recourse to Federal aid in any form. They have learned that there is no magic source of money in Washington—that Congress can distribute only what it takes away from the citizens of all the communities in taxes.

Having achieved it, the citizens of my district hope their example of Indianapolis' finest hour is worthy of emulation. I hope that other communities will note the worth of this civic project and carefully evaluate their own potential resources before they turn to the Federal-aid funds provided by this bill for hospital and allied construction.

Mr. HINSHAW. Mr. Chairman, I yield 2 minutes to the gentleman from West Virginia [Mr. NEAL].

Mr. NEAL. Mr. Chairman, I have been very much interested in the discussion of this whole measure. I have been especially interested in some of the remarks that have been made in regard to the great need in these United States for improved health conditions. I think all of us admit that there is not any place in the world that has better health or where the people enjoy more in the way of health provisions than in this country of ours. We do recognize the fact, however, that if that is an accepted fact, we want to keep it so.

The Hill-Burton measure, as I see it, has done a great deal of good, in that it has enabled certain areas that were unable to provide full funds to build their own hospital facilities to give to the people the hospital facilities that they needed.

There is one thing about the matter of hospitals that we must recognize. Just as long as we have prepaid insurance for the people in this country, our hospitals are going to be overcrowded, and no matter how much in Federal or local funds are raised, if we increase our hospital facilities double what they are we are going to have double the demand for them. I believe this is because there are a great many of our people, I am sorry to say, who like to use a hospital as a place for vacation. If they have the hospitalization already paid for, they are willing to take it. That naturally crowds out a certain class of people who actually deserve hospitalization, but, by reason of the fact that the hospitals are overcrowded, are unable to get accommodations. This bill providing for facilities to take care of the aged and the chronically ill, in my opinion, is a very, very splendid measure.

Mr. CROSSER. Mr. Chairman, I yield such time as he may desire to the gentleman from California [Mr. DOYLE].

Mr. DOYLE. Mr. Chairman, I am strongly in support of this bill and I wish to compliment the committee on bringing it out. However, knowing what I know about health conditions in my native State of California and in the Nation, I regret very much that the Bureau of the Budget is limiting the appropriations under the hospitalization provision this year to as little as $50 million when it appears crystal clear that as much as 150 million dollars is already authorized by congressional enactment in prior administration. I think it is not good in the interest of our national security or our national prosperity to spend so little when there is so much need. Good health and good food are two absolute necessities of decent human existence.

For instance, if you will refer to the committee's report now before you—I should here like to call attention only to my own State—where, on page 64, it indicates the additional beds needed; general hospital beds in California officially reported as needed in this current report of our congressional committee; to-wit, 15,348. On page 65 of the same report, the number of mental hospital beds needed in California alone is 14,344; and, according to the same report, on page 68, chronic disease hospital beds needed, 15,784, and so on.

While it is true that the report shows more beds needed in California than in most States, according to the table, nevertheless, if there is anything that affects the health and prosperity and happiness of an individual, his homelife and community life more than the health of that individual, or that community, I ask you, Mr. Chairman, what it is.

There are two things that determine the destiny of an individual; and I mean the destiny of an individual. First is whether or not he is hungry, second, whether or not he is healthy. Therefore, ordinary commonsense and everyday reasoning should dictate that neither mass hunger nor mass illness or poor health can safely be tolerated or permitted by the American people. Furthermore, in the experience of American families either hunger or ill health endangers family happiness and solidarity and paves the way for misunderstandings and lack of appreciation of one another.

Mr. WOLVERTON. Mr. Chairman, will the gentleman yield?

Mr. DOYLE. I yield to the gentleman from New Jersey, and wish to add my compliments to those already so appropriately paid him for the great work that he has done, as chairman of this committee.

Mr. WOLVERTON. Of course, I did not ask the gentleman to yield for the purpose of making that statement.

Mr. DOYLE. I know the gentleman did not, but I intended to compliment him personally.

Mr. WOLVERTON. I asked the gentleman to yield in order that I might state that I am in full accord with the views he has expressed. Whatever effort is made in this House—and I hope that effort will be made—to increase the amount which the budget has agreed to, the gentleman will certainly find me on the side of those seeking to approve that increase, for I am of the opinion that while the balancing of the budget may be an important matter, it should not be done at the expense of people who are in need of medical and hospital attention.

Mr. DOYLE. I thank the gentleman for saying that, and I might state that one reason I am so vigorously in support of this bill and an increase in the appropriation is that a few years ago we made a nationwide survey of hospitalization in the Armed Services Committee. Our primary study was military hospitals, but in connection with it we saw the general hospital conditions also. The printed record does not reveal that we are meeting this dire need as promptly as should be. A sickly people is not a safe people. A sickly people is a liability at all events.

In connection with this survey our committee acquired personal knowledge of great and dangerous shortages in civilian hospitals to meet their respective community needs. This shocking and dangerous shortage of hospital needs in many sizable American communities was specifically called to our attention by some of the most distinguished men in American medicine. The processes of these funds through established functioning State agencies and committees is logical and efficient. Certainly the Federal Government should not undertake to enter into the administration of these moneys, nor undertake to determine State hospitalization policies or procedures. I think it is well known that while I have always strongly favored adequate, available, and reasonable cost hospitalization for the civilian people and also for veterans' needs, and for the medical care and treatment of veterans' dependents and families, I nevertheless have not and do not favor a policy of so-called socialized medicine.

But in making this statement I do not discount by one iota my strong favoring of practical aid and assistance to needy and deserving States who will match Federal funds in vigilantly and more adequately meeting the needs of our civilian populations. For, gentlemen, a nation that is limited by ill health in any large segment of its population is a nation which cannot readily and efficiently respond to needs of its national security in times of war and national defense emergencies.

I am sure you agree with me that entirely too large a percentage of the young men who appeared before our draft boards, in the First World War, the Second World War, or even the Korean campaign, failed to pass the military examination. This should not be so. It should not be permitted any longer. The level of literacy within our Nation, and the level of ill health in our Nation, each determine the direction in which our Nation is traveling when it comes to matters of the welfare, health, and happiness of the individuals of our Nation and our national security. And, of course, Mr. Chairman, if individuals in our Nation are limited and restricted by illiteracy or by ill health, so the family circle from which these individuals suffering these dangerous limitations come, is also limited in its usefulness to our Nation, and likewise limited in its ability to live happily and constructively as a family unit. So, since I believe the provisions of this bill before us are in whole or in part a definite contribution to the

national consciousness that we must do more toward this problem, I am for the bill. Not least of all I am for it because of its emphasis upon, and recommendation of the entitlement of the elderly citizens of our Nation who suffer from chronic illness. I am glad to see that the committee seeks authorization of $20 million for grants for the construction of facilities for chronically ill and impaired persons. But, Mr. Chairman, let us no longer neglect to promptly and adequately consider and act upon the already great need of these thousands of hospital beds in the various States of our beloved Nation. The splendid committee report identifies the number of beds in each State needed. The Hill-Burton Act, passed in the 79th Congress, I believe, is the already existing and authorized and functioning channel through which this need can and should be met. Since this sum in this bill is the best that can now be had through this Congress, I am for the bill. But, gentlemen, I am not proud that we continue to neglect such important and human necessity so long.

Mr. REAMS. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. REAMS. Mr. Chairman, this bill to provide assistance to the States for surveying the need for diagnostic and treatment centers; for hospitals for the chronically ill and for rehabilitation facilities and nursing homes appears to me as being most worthy of our support. I also favor the provision for assistance in the construction of such facilities through grants to public and nonprofit agencies.

Our veterans' hospitals today are so filled with aging and chronically ill veterans that sometimes the veterans' cases requiring speedy treatment have been delayed because of want of beds.

Our States, counties, and cities have an increasingly heavy number of senile and chronically ill who are indigent and have no other place to look for their care than public facilities.

I am enthusiastically for this program and believe that it is necessary and proper not only for these unfortunate people but to maintain the self-respect of our citizens.

I do hope, however, that in the administration of this act when it is passed, there will be due care taken to guard against encouraging families to feel that this means that their aging members are no longer their private responsibility. It would be a national calamity of great magnitude should a generation grow up believing that it is a public responsibility to care for everyone who has become incapacitated because of age or disability. This bill does not in itself encourage such a feeling and when it has become law it should not be administered in a way to suggest or encourage such a practice or course of action.

Mr. HINSHAW. Mr. Chairman, may I inquire if there are any further requests for time on the other side?

Mr. CROSSER. Mr. Chairman, I have no further requests for time.

Mr. HINSHAW. Mr. Chairman, I yield 3 minutes to the gentleman from California [Mr. YOUNGER] to conclude the debate.

Mr. YOUNGER. Mr. Chairman, we are confronted with a very unusual condition here today in which we have had probably more fear expressed this afternoon than was expressed a week ago last Monday. We started in with our colleague the gentleman from Texas [Mr. LYLE] expressing the fear that we should not bring up this bill at this time. Then we entered into the fear on the part of our good friend and colleague from Arkansas, a member of the committee, that we will not be able to accomplish the purpose for which the bill is intended. Then we ran the gamut of all the other fears. The gentleman from Massachusetts devoted considerable time to expressing the fear that we may pass a wrong tax bill; and then the fear was expressed by the gentleman from Virginia that possibly some of the Democratic postmasters might lose their jobs.

This all points up to just one fact: Our colleagues on the right have no objection to the bill before us today, and it is only natural that they should use their time for political purposes.

This bill comes from the committee with a unanimous report. It is a good bill. It is the extension of the Hill-Burton Act. As a new Member of Congress I may say it is one act about which I have heard nothing but a unanimous recommendation.

I just want to address myself to one feature, and that is the formula that has been worked out whereby the funds are allocated to the States, because it takes into account not only the population of the State but it also takes into account the need of the State for the particular facility. In addition to that it takes into consideration the per capita income within that State; in other words, the ability of that State to meet its needs. The funds are thus allocated so that the larger share of the funds goes to the State that has the greater need and the lesser ability to meet that need.

I think this is a good bill, and the best recommendation that could be made for it is that our friends on the right have raised no objection but have had a field day in politics.

The CHAIRMAN. The Clerk will read.

Mr. HINSHAW. Mr. Chairman, I ask unanimous consent that the bill may be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

The bill reads as follows:

Be it enacted, etc., That this act may be cited as the "Medical Facilities Survey and Construction Act of 1954."

SEC. 2. Title VI of the Public Health Service Act is amended by adding immediately after part D thereof the following new parts:

"PART E—DECLARATION OF PURPOSE WITH RESPECT TO DIAGNOSTIC OR TREATMENT CENTERS, CHRONIC DISEASE HOSPITALS, REHABILITATION FACILITIES, AND NURSING HOMES

"SEC. 641. The purpose of parts F and G of this title is—

"(a) to assist the several States (1) to inventory their existing diagnostic or treatment centers, hospitals for the chronically ill and impaired, rehabilitation facilities, and nursing homes, (2) to survey the need for the construction of facilities of the types referred to in clause (1), and (3) to develop programs or the construction of such public and other nonprofit facilities of the types referred to in clause (1) as will, in conjunction with existing facilities, afford the necessary physical facilities for furnishing to all their people adequate services of the kinds which may be supplied for facilities of the types referred to in clause (1); and

"(b) to assist in the construction, in accordance with such programs, of public and other nonprofit facilities of the types referred to in subsection (a).

"PART F—SURVEYS AND PLANNING WITH RESPECT TO DIAGNOSTIC OR TREATMENT CENTERS, CHRONIC-DISEASE HOSPITALS, REHABILITATION FACILITIES, AND NURSING HOMES

"Authorization of appropriation

"SEC. 646. In order to assist the States in carrying out the purposes of section 641 (a), there is hereby authorized to be appropriated the sum of $2 million, to remain available until expended. The sums appropriated under this section shall be used for making payments to States which have submitted, and had approved by the Surgeon General, State applications for funds for carrying out such purposes.

"State applications

"SEC. 647. The Surgeon General shall approve a State application for funds for carrying out the purposes of section 641 (a), which—

"(1) designates as the sole agency for carrying out such purposes, or for supervising the carrying out of such purposes, the State agency designated in accordance with section 623 (a) (1);

"(2) provides for the utilization of the State advisory council provided in section 623 (a) (3), and if such council does not include representatives of nongovernment organizations or groups, or State agencies, concerned with rehabilitation, provides for consultation with organizations, groups, and State agencies so concerned; and

"(3) provides for making an inventory and survey containing all information required by the Surgeon General and for developing a construction program in accordance with section 653.

"Allotments to States

"SEC. 648. Each State shall be entitled to an allotment of such proportion of any appropriation made pursuant to section 646 as its population bears to the population of all the States, and within such allotment shall be entitled to receive 50 percent of its expenditures in carrying out the purposes of section 641 (a) in accordance with its application: *Provided,* That no such allotment to any State shall be less than $25,000. The Surgeon General shall from time to time estimate the sum to which each State will be entitled under this section, during such ensuing period as he may determine, and shall thereupon certify to the Secretary of the Treasury the amount so estimated, reduced or increased, as the case may be, by any sum by which the Surgeon General finds that his estimate for any prior period was greater or less than the amount to which the State was entitled for such period. The Secretary of the Treasury shall thereupon, prior to audit or settlement by the General Accounting Office, pay to the State, at the time or times fixed by the Surgeon General, the amounts so certified.

"(b) Any funds paid to a State under this section and not expended for the purposes for which paid shall be repaid to the Treasury of the United States."

SEC. 3. Title VI of the Public Health Service Act is further amended by adding a new part G to read as follows:

"PART G—CONSTRUCTION OF DIAGNOSTIC OR TREATMENT CENTERS, CHRONIC-DISEASE HOSPITALS, REHABILITATION FACILITIES, AND NURSING HOMES

"Authorization of appropriation

"SEC. 651. In order to assist the States in carrying out the purposes of section 641 (b), there is hereby authorized to be appropriated for the fiscal year ending June 30, 1955, and for each of the two succeeding fiscal years—

"(1) $20 million for grants for the construction of public and other nonprofit diagnostic or treatment centers;

"(2) $20,000,000 for grants for the construction of public and other nonprofit hospitals for the chronically ill and impaired;

"(3) $10,000,000 for grants for the construction of public and other nonprofit rehabilitation facilities; and

"(4) $10,000,000 for grants for the construction of public and other nonprofit nursing homes.

"Allotments to States

"SEC. 652. Each State shall be entitled for each fiscal year to an allotment of a sum bearing the same ratio to the sums appropriated for such year pursuant to paragraphs (1), (2), (3), and (4), respectively, of section 651, as the product of (a) the population of such State and (b) the square of its allotment percentage (as defined in section 631 (a)) bears to the sum of the corresponding products for all of the States: *Provided*, That no such allotment to any State for the purposes of paragraph (1) or (2) of section 651 shall be less than $100,000 and no such allotment for the purpose of paragraph (3) or (4) shall be less than $50,000. Sums allotted to a State for a fiscal year and remaining unobligated at the end of such year shall remain available to such State for the same purpose for the next fiscal year (and for such year only) in addition to the sums allotted to such State for such next fiscal year.

"Regulations and approval of State plans

"SEC. 653. (a) Within 6 months after this part becomes effective, the Surgeon General, with the approval of the Federal Hospital Council and the Secretary of Health, Education, and Welfare (hereinafter referred to as the 'Secretary'), shall revise and supplement the regulations issued under section 622 to provide general standards of construction and equipment, general standards of adequacy and priority, and requirements comparable to those provided in such regulations as to nondiscrimination and persons unable to pay, and as to general methods of administration of the State plan, for facilities for which payments are authorized under this part. After such regulations have been issued, any State desiring to take advantage of this part may submit, as a revision of, or supplement to, its plan under section 623, a plan for a construction program for diagnostic or treatment centers, hospitals for the chronically ill and impaired, rehabilitation facilities, and nursing homes. The Surgeon General shall approve any such revision of, or supplement to, the State plan which is based upon a statewide inventory of existing facilities available for such purposes and which—

"(1) meets the requirements of paragraphs (1), (2), (3), (6), (8), and (9) of section 623 (a): *Provided*, That if the designated advisory council does not include representatives of nongovernmental organizations or groups, or State agencies, concerned with rehabilitation, the plan shall provide for consultation with organizations, groups, and State agencies so concerned;

"(2) conforms with the regulations prescribed under section 622 as revised and supplemented for the purposes of this part;

"(3) sets forth, with respect to each type of facility, the relative need determined in accordance with such revised regulations, and provides for the construction, insofar as financial resources available therefor and for maintenance and operation make possible, of such facilities in the order of such relative needs; and

"(4) provides that the State agency will from time to time review its construction program for such facilities as a part of its State plan and submit to the Surgeon General any modifications thereof which it considers necessary.

"(b) The provisions of subsections (b) and (c) of section 623 shall be applicable to State plans with respect to projects for construction under this part. Except with respect to hospitals, the provisions of subsection (d) of such section shall not be applicable to State plans with respect to projects for construction under this part.

"Approval of projects and payments—Federal share

"SEC. 654. (a) Applications under this part by States, political subdivisions, or public or other nonprofit agencies for (1) public or other nonprofit diagnostic or treatment centers, (2) public or other nonprofit hospitals for the chronically ill and impaired, (3) public or other nonprofit rehabilitation facilities, or (4) public or other nonprofit nursing homes shall be submitted, and shall be approved by the Surgeon General (subject also, in the case of rehabilitation facilities, to the approval of the Secretary) if sufficient funds are available from the State's allotment under this part for such type of facility, in accordance with the procedures and subject to the conditions prescribed in subsection (a) of section 625 and the regulations issued under section 622 as revised and supplemented for the purposes of this part: *Provided, however*, That (except with respect to hospitals) the assurances required for compliance with State standards for operation and maintenance shall be limited to such standards, if any, as the State may prescribe. Approved applications shall be subject to amendment as provided in subsection (c) of section 625.

"(b) In accordance with regulations, any State may file with the Surgeon General a request that a specified portion of an allotment to it under this part for any type of facility be added to the corresponding allotment of another State for the purpose of meeting a portion of the Federal share of the cost of a project for the construction of a facility of that type in such other State. If it is found by the Surgeon General (or, in the case of a rehabilitation facility, by the Surgeon General and the Secretary) that construction of the facility with respect to which the request is made would meet needs of the State making the request and that use of the specified portion of such State's allotment, as requested by it, would assist in carrying out the purposes of this part, such portion of such State's allotment shall be added to the corresponding allotment of the other State, to be used for the purpose referred to above.

"(c) Procedures and conditions for payments under this part shall be in accord with the provisions of subsection (b) of section 625.

"(d) Notwithstanding subsection (a) of this section, no application for a diagnostic or treatment center shall be approved under such subsection unless the applicant is (1) a State, political subdivision, or public agency, or (2) a corporation or association which owns and operates a nonprofit hospital (as defined in sec. 631 (g))."

AMENDMENT OF PARTS A, C, AND D OF TITLE VI

SEC. 4. (a) That part of section 601 of the Public Health Service Act which precedes paragraph (a) is amended by striking out "purpose of this title" and inserting in lieu thereof "purpose of parts B through D of this title."

(b) Subsection (e) of section 625 of the Public Health Service Act is hereby amended to read:

"(e) If any hospital, diagnostic or treatment center, rehabilitation facility, or nursing home for which funds have been paid under this section or under section 654 shall, at any time after the completion of construction, (A) be sold or transferred to any person, agency, or organization, (1) which is not qualified to file an application under this section, or (2) which is not approved as a transferee by the State agency designated pursuant to section 623 (a) (1), or its successor, or (B) cease to be a nonprofit hospital, nonprofit diagnostic or treatment center, nonprofit rehabilitation facility, or nonprofit nursing home as defined in section 631 (g), the United States shall be entitled to recover from either the transferor or the transferee (or, in the case of a hospital, diagnostic or treatment center, rehabilitation facility, or nursing home, which has ceased to be nonprofit, from the owners thereof) an amount bearing the same ratio to the then value (as determined by agreement of the parties or by action brought in the district court of the United States for the district in which such hospital, center, facility, or nursing home is situated) of so much of the hospital, center, facility, or nursing home as constituted an approved project or projects, as the amount of the Federal participation bore to the cost of the construction of such project or projects."

(c) Subsection (g) of section 631 is amended to read:

"(g) The terms 'nonprofit hospital', 'nonprofit diagnostic or treatment center', 'nonprofit rehabilitation facility', and 'nonprofit nursing home' mean any hospital, diagnostic or treatment center, rehabilitation facility, and nursing home, as the case may be, which is owned and operated by one or more nonprofit corporations or associations no part of the net earnings of which inures, or may lawfully inure, to the benefit of any private shareholder or individual;".

(d) Subsection (h) of section 631 is amended to read:

"(h) The term 'construction' includes construction of new buildings, expansion, remodeling, and alteration of existing buildings, and initial equipment of any such buildings (including medical transportation facilities); including architects' fees, but excluding the cost of off-site improvements and, except with respect to public health centers, the cost of the acquisition of land;".

(e) Subsection (k) of section 631 is amended to read:

"(k) (1) The term 'Federal share' with respect to any project means the proportion of the cost of construction of such project to be paid by the Federal Government. In the case of any project approved prior to October 25, 1949, the Federal share shall be 33⅓ percent of the cost of construction of such project. In the case of any project approved on or after October 25, 1949, the Federal share, except as otherwise provided in paragraph (2) of this subsection, shall be determined as follows—

"(A) if the State plan, as of the date of approval of the project application, contains standards approved by the Surgeon General pursuant to section 623 (e), the Federal share with respect to such project shall be determined by the State agency in accordance with such standards;

"(B) if the State plan does not contain such standards, the Federal share shall be the amount (not less than 33⅓ percent and not more than either 66⅔ percent or the State's allotment percentage, whichever is the lower) established by the State agency for all projects in the State: *Provided*, That prior to the approval of the first project in the State during any fiscal year, the State agency shall give to the Surgeon General written notification of the Federal share established under this subparagraph for

projects in such State to be approved by the Surgeon General during such fiscal year, and the Federal share for projects in such State approved during such fiscal year shall not be changed after such approval.

"(2) In the case of projects eligible for approval under part G and approved after the effective date of that part, the Federal share shall be determined as provided in paragraph (1) of this subsection, or, if the State so elects, shall be 50 percent of the cost of construction of the project: *Provided*, That prior to the approval of the first such project in the State during any fiscal year, the State agency shall give to the Surgeon General written notification of such election; and such election shall not be subject to change during such fiscal year after such approval."

(f) Section 631 of the Public Health Service Act is further amended by the addition of the following subsections:

"(l) The term 'diagnostic or treatment center' means a facility for the diagnosis or treatment, or both, of ambulatory patients—

"(1) which is operated in connection with a hospital, or

"(2) in which patient care is under the professional supervision of persons licensed to practice medicine in the State.

"(m) The term 'hospital for the chronically ill and impaired' shall not include any hospital primarily for the care and treatment of mentally ill or tuberculous patients.

"(n) The term 'rehabilitation facility' means a facility which is operated for the primary purpose of assisting in the rehabilitation of disabled persons through an integrated program of medical, psychological, social, and vocational evaluation and services under competent professional supervision, and in the case of which—

"(1) the major portion of such evaluation and services is furnished within the facility; and

"(2) either (A) the facility is operated in connection with a hospital, or (B) all medical and related health services are prescribed by, or are under the general direction of, persons licensed to practice medicine in the State.

"(o) The term 'nursing home' means a facility for the accommodation of convalescents or other persons who are not acutely ill and not in need of hospital care, but who require skilled nursing care and related medical services—

"(1) which is operated in connection with a hospital, or

"(2) in which such nursing care and medical services are prescribed by, or are performed under the general direction of, persons licensed to practice medicine in the State."

(g) Subsection (a) and subsection (b), paragraph (1), of section 632 are hereby amended to read:

"SEC. 632. (a) Whenever the Surgeon General, after reasonable notice and opportunity for hearing to the State agency designated in accordance with section 612 (a) (1) or section 647 (1) finds that the State agency is not complying substantially with the provisions required by section 612 (a) or section 647 to be contained in its application for funds under part B or part F, as the case may be, or after reasonable notice and opportunity for hearing to the State agency designated in accordance with section 623 (a) (1) or section 647 (1) finds (1) that the State agency is not complying substantially with the provisions required by section 623 (a), or by regulations prescribed pursuant to section 622, or with the provisions required by section 647, or by regulations prescribed pursuant to section 653, to be contained in its plan submitted under section 623 (a) or section 653, as the case may be, or (2) that any funds have been diverted from the purposes for which they have been allotted or paid, or (3) that any assurance given in an application filed under section 625 or section 654, as the case may be, is not being or cannot be carried out, or (4) that there is a substantial failure to carry out plans and specifications approved by the Surgeon General under section 625 or section 654, as the case may be, or (5) that adequate State funds are not being provided annually for the direct administration of the State plan, the Surgeon General may forthwith notify the Secretary of the Treasury and the State agency that no further certification will be made under part B, part C, part F, or part G, as the case may be, or that no further certification will be made for any project or projects designated by the Surgeon General as being affected by the default, as the Surgeon General may determine to be appropriate under the circumstances; and, except with regard to any project for which the application has already been approved and which is not directly affected by such default, he may withhold further certifications until there is no longer any failure to comply, or, if compliance is impossible, until the State repays or arranges for the repayment of Federal moneys which have been diverted or improperly expended.

"(b) (1) If the Surgeon General refuses to approve any application under section 625 or section 654, the State agency through which the application was submitted, or if any State is dissatisfied with the Surgeon General's action under subsection (a) of this section, such State may appeal to the United States circuit court of appeals for the circuit in which such State is located. The summons and notice of appeal may be served at any place in the United States. The Surgeon General shall forthwith certify and file in the court the transcript of the proceedings and the record on which he based his action."

(h) Section 635 is hereby amended to read:

"State control of operations

"SEC. 635. Except as otherwise specifically provided, nothing in this title shall be construed as conferring on any Federal officer or employee the right to exercise any supervision or control over the administration, personnel, maintenance, or operation of any hospital, diagnostic or treatment center, rehabilitation facility, or nursing home with respect to which any funds have been or may be expended under this title."

The CHAIRMAN. Are there amendments?

Mr. ROGERS of Florida. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ROGERS of Florida:

Page 14, line 24, after the word "medicine", insert the words "or surgery."

Page 15, line 14, after the word "medicine", insert the words "or surgery."

Page 15, line 24, after the word "medicine", insert the words "or surgery."

Mr. WOLVERTON. Mr. Chairman, will the gentleman yield?

Mr. ROGERS of Florida. I yield to the gentleman from New Jersey.

Mr. WOLVERTON. I would like to inform the gentleman that so far as the membership of the committee on this side of the aisle is concerned, we have no objection to the amendment that has just been offered.

Mr. HARRIS. Mr. Chairman, will the gentleman yield?

Mr. ROGERS of Florida. I yield to the gentleman from Arkansas.

Mr. HARRIS. I think it should be clearly understood just what the amendment covers here and just what is involved. As the bill was originally presented, we had the impression, and it was the intention, that the existing law would not in any way be changed; that is, with reference to the original Hill-Burton construction program. We found out that the language under the definition in about four instances would have the effect of changing the definition of "hospitals" under existing law. The osteopathic hospitals came into that discussion and our colleagues on the committee will recall some of us were concerned about changing the provisions of existing law because it had worked so well. In view of that, language was substituted in which it made it unnecessary to change the provisions of the definition of "hospitals" under existing law. The language which we refer to applies to facilities for these additional categories under this new part G of the act; is that not true?

Mr. ROGERS of Florida. That is right.

Mr. HARRIS. In other words, this language applies to the definition which relates only to paragraph G under the Public Health Service Act as it is being amended by this bill today.

Mr. ROGERS of Florida. I do not know whether I can restrict it to that or not, because the amendment I have offered applies to the provision as set forth on page 14, line 24, page 15, line 24. It also refers further to line 24, page 15, "are prescribed by, or are under the general direction of, persons licensed to practice medicine in the State." That is the other thing it applies to. The last one is on page 15, line 24, "in which such nursing care and medical services are prescribed by, or are performed under the general direction of, persons licensed to practice medicine in the State."

The amendment that I offer extends that to those who may practice surgery. In other words, there are 15 States in this Union at the present time that grant to osteopaths the right to practice medicine. There are 21 States that do not license osteopaths to practice medicine but do license them to practice osteopathy and surgery. My amendment puts it within the province of osteopaths under the State law—they must have a license under the State law—to practice surgery; therefore, they could come in and when their services were asked by a patient he can get it. If this amendment is not adopted and their services were requested, he could not get it.

Mr. HARRIS. The question I ask the gentleman is whether or not his amendment to this bill would in any way affect the original Hill-Burton hospital construction program which has been in effect for several years.

Mr. ROGERS of Florida. Not at all. In other words, anything that is done with respect to the hospitals under the Hill-Burton Act they are licensed to do, and they have cooperated in every quarter where they possibly have an opportunity to do so.

Mr. HARRIS. I think it should be particularly understood that this is rather technical, that is, the provisions which we have here before us. If the gentleman will recall, it was necessary

to change the original language that was presented because it did change the language of the original Hill-Burton Act. When that was brought out in the committee, the language was changed whereby under the original hospital-construction program osteopathic hospitals as well as other hospitals were authorized, and there were some 15 or 16 osteopathic hospitals under the original program; is that not true?

Mr. ROGERS of Florida. That is true, and this amendment does not affect that program at all.

Mr. HARRIS. The result of the language change was to leave the provision of that act just as it is.

Mr. ROGERS of Florida. Absolutely, and the gentleman fostered that verbiage.

Mr. HARRIS. What the gentleman proposes to do here is to include the word "surgery" in the definition of diagnostic centers and so forth, which would apply to this part, which would be part G of the Public Health Act.

Mr. ROGERS of Florida. That is right.

Mr. HARRIS. We provided in the definition that diagnostic centers, and so forth, may be operated in connection with the hospital. Now, that meant that if such a facility was constructed in connection with a hospital, the supervision of persons licensed to practice medicine would actually be available; is that not true?

Mr. ROGERS of Florida. That is true.

Mr. HARRIS. And the committee thought that in these facilities that would not be related to hospitals, that there should be some medical attention available, and that is the reason this definition was provided as it is; is that not true?

Mr. ROGERS of Florida. I do not know whether they intended to restrict it entirely.

Mr. HARRIS. Well, that is what we did, and what the gentleman is doing here is providing that the osteopathic centers in the States may not only get the provisions of the original Hill-Burton Act, but any States where they are licensed to practice osteopathy and surgery.

Mr. ROGERS of Florida. I think that is the intention.

Mr. HARRIS. And that is the intention of the amendment.

Mr. ROGERS of Florida. Yes. Will the gentleman accept it?

Mr. HARRIS. As far as I am concerned, it is perfectly all right.

Mr. ROGERS of Florida. I do not want to take up the time of the House if the gentleman accepts it. I like to speak, but I do not like to speak that much.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Florida [Mr. ROGERS].

The amendment was agreed to.

Mr. WOLVERTON. Mr. Chairman, I offer a committee amendment.

The Clerk read as follows:

Committee amendment offered by Mr. WOLVERTON: On page 2, line 12, strike out "or" and insert "(4)" and in line 17 strike out "for" and insert "(5)."

Mr. WOLVERTON. Mr. Chairman, I think it is readily observable that these are merely typographical errors which we seek to correct.

The CHAIRMAN. The question is on the committee amendment.

The committee amendment was agreed to.

Mr. BUSBEY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BUSBEY: On page 5, strike out section 651, beginning in line 17 down to and including line 7 on page 6.

Mr. BUSBEY. Mr. Chairman, there are four divisions of section 651, and I would like to take the time to read them, in order that we will know just exactly what the amendment does.

First, the bill authorizes $20 million for grants for the construction of public and other nonprofit diagnostic or treatment centers;

Second, the bill authorizes $20 million for grants for the construction of public and other nonprofit hospitals for the chronically ill and impaired;

Third, $10 million for grants for the construction of public and other nonprofit facilities; and

Fourth, $10 million for grants for the construction of public and other nonprofit nursing homes.

The original Hill-Burton Act was for the very purpose the sections of this bill are trying to provide for here; only they are put into categories, instead of into the general law. That is why I expressed the fear in the general debate that we will get into difficulty. There is absolutely no necessity for this language in the bill, because there is already authorized by the Congress for construction of hospital facilities $100 million more than is being requested in the appropriation for the fiscal year 1955.

Now you are asking for $60 million more, although you are not even using up the $150 million that is already authorized. I think it is a position that cannot be justified. Instead of putting this language into the bill and putting these four sections into separate categories, it would be very simple to take care of these situations by a little language change in the present law.

No; I am afraid that what they want to do is to get into these categories. If my amendment is not carried, I am warning the Members today, Mr. Chairman, that sometime in the future, I can refer back to this amendment and say: "I admonished you then that that was exactly what would happen."

Here I have the official document of the United States Public Health Service, which administers this particular program. What do they say in this field? On page 60 of their book, they say this:

The dangers of encouraging overbuilding, the great potentialities of home care programs for reducing the need for hospital care, and the incompleteness of the data on which decisions must be based, all point toward the desirability of conservatism in making estimates of bed needs.

It is true they have not been putting these chronic-bed cases in the general hospitals. We have a great deal of unoccupied space in these hospitals, which have already been built with Hill-Burton funds, that could be utilized for this purpose, just as well as not.

Let me quote another section from the Public Health Service book:

There are many who believe that all or a substantial portion of chronic long-term patients should be cared for in general hospitals. To the extent that this occurs, the need for general hospital beds will be increased beyond the estimate indicated above.

There is nothing in the law now that would warrant adding $60 million to the $150 million authorization, and putting it into these special categories; that will eventually lead to building up special pressure groups, in addition to all the pressure groups we have around the country today, to be continually seeking increased appropriations. I think this is an amendment which should really be adopted by the House. If the Subcommittee on Appropriations should not appropriate the full amount that this bill calls for, providing the language should stay in the bill, I do not want anybody to say that there is no money for this item. There is $150 million.

On July 26, 1946, the genial gentleman from Ohio [Mr. BROWN], who is sitting here in the Chamber, said:

Therefore, the question comes as to whether or not we can and will in the future have the courage and fortitude to refuse to continue to extend the program, once the present emergency is over.

Mr. Chairman, I hope the amendment will be adopted.

Mr. McGREGOR. Mr. Chairman, I move to strike out the last word in order to inquire of the members of the committee about the language on page 12, line 21, "including medical transportation facilities." Does that mean ambulances or building of ambulances?

Mr. PRIEST. May I say in reply to the gentleman's question that that matter came up during the hearings and in executive session, and it is fairly well pinned down in the hearings that refers to ambulances.

Mr. McGREGOR. Having been a small contractor, I find sometimes that we build a building and then have the utilities—the extension of the sewerage system from the property line to the city line—to pay for and find they have not been included in the building project plans. Would the gentleman's opinion be that the extension of the necessary sewer systems be considered a part of those projects and included in this legislation as to the cost?

Mr. PRIEST. I am sure that what the gentleman refers to is not included in the cost. As a matter of fact, with the exception of public health centers as authorized in the original bill, there is no provision even for the purchase of a site insofar as matching funds are concerned. That is up to the local community and the sponsoring agency. That would apply also to the utility facilities. They are not covered in the provisions of this bill insofar as matching by Federal funds is concerned.

Mr. McGREGOR. Is the gentleman of the opinion that certainly the extension or the connection of the sewer fa-

cilities would be a part of the hospital project?

Mr. PRIEST. Certainly the hospital project has to have such facilities. There is no question about that. However, I think we must take into consideration that when a hospital is built outside the city limits, and not within the reach of utility connections and at a considerable distance away, sometimes it probably would turn out that the cost of extending such utility facilities would be far out of proportion to the cost of the project itself. The committee has never felt we should go that far in this legislation although I do agree with the gentleman that that is a vital part of a hospital operation.

Mr. McGREGOR. I am glad to hear my friend say that because sewerage is certainly a part of our health program. It is just as vital a part of this program as buying an ambulance. That certainly goes beyond the idea of construction, does it not?

Mr. PRIEST. It is not covered under construction, but it is equipment and it is a rather important part of the equipment of a hospital, if it is to render its best service to the people. Of course, you understand that utility equipment within the hospital itself, of course, is covered, but I understood the gentleman to refer to an extension of a power line or sewer or water main. Those matters are not covered in the legislation.

Mr. McGREGOR. But the gentleman does agree with me it is covered under the terms of construction in section 8, "Medical transportation facilities," which brings that under the term "construction." How can the gentleman arrive at such a decision as that—ambulances under construction description?

Mr. BUSBEY. Mr. Chairman, will the gentleman yield?

Mr. McGREGOR. I yield.

Mr. BUSBEY. The sole trouble with these definitions is not so much the language of the legislative bill, but the regulations and interpretations given by the Department and the trouble is that in the definitions of related facilities they cover everything from plush hotels to cow barns, and when you get down to those who are writing the regulations on what these definitions mean, we have too many people still down there in the Department imbued with the New Deal idea of share the wealth. They are the ones who are writing the regulations for these programs.

Mr. McGREGOR. I want to say that I concur in the statement of my distinguished friend from Tennessee [Mr. PRIEST]. I agree with him that certainly the extension of necessary sewerage facilities should be a part of the project. Perhaps we can get that straightened out in the other body or in conference.

I think we all agree that proper sewerage is most necessary to the health and welfare of our country—it should be recognized and arranged and taken care of in this bill—when we are considering construction of hospitals—and I thank the gentleman from Tennessee [Mr. PRIEST] for his interest and willingness to consider this problem.

Mr. WOLVERTON. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Illinois [Mr. BUSBEY].

I have a great deal of respect for the gentleman from Illinois [Mr. BUSBEY]. I am well aware of the time and the attention that he has given to that portion of the Appropriations Committee, of which he is chairman. It has necessitated his making a study of the subject now under consideration. I am thoroughly cognizant of the interest that he has had at all times. When he was a member of the Committee on Interstate and Foreign Commerce he was faithful to a most commendable degree. His interest in the work of our committee never lagged. The same can be said of him in the work of the committee of which he is such an able chairman. I am regretful, however, that I cannot agree with him as to the merit of the amendment he has offered. It would in my opinion have the effect of killing this bill.

He states that there was no reason to set forth categories. The fact is that there was a reason, and the committee found it to be a very definite as well as meritorious reason why categories should be set forth in the way in which they are in this bill. It was because, under the Hill-Burton Act, with probably one exception, these different categories, as he terms them, would have to be constructed in connection with a hospital.

What we are seeking to do under this legislation is to bring the advantages of these categories to communities that do not have a hospital and that could not reasonably expect to have a hospital.

If time permitted I would like to bring to his attention the evidence that came to us from people who have had experience in these out-of-the-way communities, places away from cities, places where they do not have hospitals or medical facilities of any kind whatsoever. It is communities such as these we are seeking to help. So if the amendment he offers is adopted, it will scuttle this bill, and I certainly hope the House is not willing to support an amendment that would have that effect.

Mr. BUSBEY. Mr. Chairman, will the gentleman yield?

Mr. WOLVERTON. I yield.

Mr. BUSBEY. I would like to say to the gentleman, my good friend, under whom I served, that I would be the last one to want to scuttle this bill. I want to improve the bill and protect the categorical grants in the years to come. After they once get their foot in the door under this provision, they will never get out.

Mr. WOLVERTON. I am hopeful it will be recognized that the health of our people is such an important matter in this Nation of ours that there will never be any desire to get out of the business of improving their health and helping them to have the facilities that will prove helpful to them in this respect.

Mr. JONAS of Illinois. Mr. Chairman, I ask unanimous consent that the gentleman from Illinois [Mr. BISHOP] may extend his remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. BISHOP. Mr. Chairman, I am introducing today a companion bill, which has been introduced in the other body, to encourage and assist the production of strategic and critical metals, minerals, and materials in the United States, and for other purposes. These materials pertain to national defense, as well as to the peacetime program. In my congressional district are located a large number of fluorspar and coal mines—fluorspar being used in the manufacture of both steel and aluminum. At the present time more than 50 percent of these miners are out of employment as a result of the importation of these strategic materials from foreign fields. To correct situations such as this, I feel that it is absolutely necessary to reestablish a principle in the regulation of import duties on strategic and critical metals, minerals, and materials to provide for fair and reasonable competition between foreign fields and domestic producers. Since it is the policy of the Congress to develop and promote the production of these metals, minerals, and materials within the United States and to relieve the United States from dependency upon foreign areas for such strategic materials, the transportation of which in time of war would be difficult or impossible, it is respectfully requested that favorable consideration be given this legislation.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois [Mr. BUSBEY].

The amendment was rejected.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. Bow, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 8149) to amend the hospital survey and construction provisions of the Public Health Service Act to provide assistance to the States for surveying the need for diagnostic or treatment centers, for hospitals for the chronically ill and impaired, for rehabilitation facilities, and for nursing homes, and to provide assistance in the construction of such facilities through grants to public and nonprofit agencies, and for other purposes, pursuant to House Resolution 461, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them in gross.

The amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND

Mr. HINSHAW. Mr. Speaker, I ask unanimous consent that all Members

who so desire may have 5 legislative days in which to revise and extend their remarks on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. SMITH of Mississippi. Mr. Speaker, if the proposed reductions in the various programs for assistance to the States in their public-health activities are approved by the Congress, we can expect a sharp setback in the fight against disease in America. Federal grants have provided the incentive, and a major part of the cost, for splendid public-health programs throughout the country. I hope the Congress will provide substantial increases in the recommended budget figures and avert curtailment of this program.

The tuberculosis-prevention program in Mississippi is one of those gravely threatened by the current budget. For a statement of the danger involved here, I include the following letter from the Mississippi Tuberculosis Association:

MISSISSIPPI TUBERCULOSIS ASSOCIATION,
Jackson, Miss., March 2, 1954.

The Honorable FRANK E. SMITH,
United States House of Representatives,
Washington, D. C.

DEAR MR. SMITH: At the last board of directors meeting of the Mississippi Tuberculosis Association the major item for discussion was the serious threat to the tuberculosis-control program in Mississippi which is impending if the recommended reductions in the United States Public Health Service, Division of Tuberculosis Control appropriations become effective on July 1, 1954, as scheduled.

Your attention is respectfully called to the enclosed resolution adopted by our board of directors. Supportive information, facts, and figures are contained in the remainder of this letter.

As you probably know, the Mississippi State Board of Health has received a grant-in-aid from the USPHS TB Control Division each year since the fiscal year 1945–46 for the purpose of executing a more intensive program of tuberculosis control. A majority of the money received has been used in operating the vital service of mass X-raying by means of the mobile X-ray buses, case supervision by trained nurses, in the field, operation of a central and county-by-county case register of tuberculosis cases, examination of sputum and other laboratory procedures, and inauguration of home treatment for those who cannot be admitted to the sanatorium.

In recent years, this Federal grant has been continually and drastically reduced and at present the entire control program in Mississippi is in serious jeopardy. The following figures show the dollars-and-cents side of this picture:

1945–46	$113,024
1946–47	206,465
1947–48	191,138
1948–49	187,172
1949–50	191,155
1950–51	164,100
1951–52	139,187
1952–53	120,059
1953–54	88,500
Proposed for 1954–55	[1] 35,300

[1] A 62-percent reduction after having already been reduced over 36 percent in the previous 3 years.

The reduction in the past has meant putting 2 of the 4 mobile X-ray units "on blocks"—one was taken from service on June 1, 1949, and the other was discontinued as of May 1, 1953.

At present there are two mobile units operating in the State. One is being paid for from Federal funds, the other from a surplus fund which was consigned to the operation of this second unit until July 1, 1954. This surplus fund was definitely for an emergency and will not be available in the future.

Now that we have a brief glimpse at the past history, let's look to the future. What will these proposed reductions mean?

First, both of the two remaining mobile X-ray units will have to be discontinued. Second, case supervision will almost be eliminated. Third, case registers can no longer be maintained. Fourth, laboratory services will be discontinued. Fifth, home treatment cannot be continued without the support of the above four activities.

You can certainly understand and appreciate the serious situation which prevails at present and which will come about if these further reductions take place.

Our organization, the Mississippi Tuberculosis Association, as well as our 86 affiliated organizations in every county of the State, have worked long and hard in an attempt to demonstrate and supplement needed programs of tuberculosis control with money donated to us during our annual Christmas seal sale.

We feel that much of our efforts will have been to no avail if tuberculosis control is seriously curtailed in Mississippi. Also, with the limited funds that are contributed each year, it is absolutely impossible for voluntary organizations in this State to make up even the first drop of this financial loss.

Every effort is being made at the present time to restore some of these reductions by means of a special appropriation from the State legislature; however, with the enormous problem of financing the school program, informed sources have told us that such an appropriation during this session doesn't have a ghost of a chance.

Therefore, this urgent appeal is being made to you to do everything possible to prevent a reduction in the tuberculosis-control appropriations for the coming year.

If this is accomplished, our State will then have an opportunity to allocate supplementary funds at some future date in order to maintain the progress we have made in this field.

This problem affects every citizen in the State of Mississippi, and we feel that it is our duty to urgently request your assistance and influence in alleviating this serious threat.

Respectfully yours,
JUDSON M. ALLRED, Jr.,
Executive Secretary.

THE LATE WILL H. HAYS

Mr. BRAY. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. BRAY. Mr. Speaker, it is with profound regret that I bring to the attention of this body the passing of one of the great Americans of this age. Will H. Hays died at his home in Sullivan, Ind., Sunday at the age of 74.

For almost a half century he had been a leading figure in State and national affairs. Many Members of this body, I am sure, had occasion to know Will Hays and observe his devotion to the public welfare. He was national chairman of the Republican Party in the election of 1920, and served as Postmaster General of the United States from 1921 to 1922. At that time a new enterprise, the motion-picture industry, was torn with scandal and faced many severe problems. Hays resigned as Postmaster General to become what was later called movie czar. He earned national acclaim in this position, which he held until 1945. During those years his efforts in maintaining high moral standards in an industry which grew to such giant proportions served the public interest certainly as much as his career in government and politics.

Prior to rising to the highest directive position of his party, he served as precinct committeeman, Republican county chairman of Sullivan County, Ind., Republican district chairman of the old Second Indiana District, and Republican State chairman in the election of 1914–16 and 1918. He continued the practice of law and was recognized as one of the outstanding lawyers of the Midwest. At the time of his death he was the senior member of the firm of Hays & Hays, which was founded by his father, John T. Hays.

I will not attempt to list his many political, business, legal, social, religious, educational, and philanthropic activities, except to say that our Nation has lost one of its really great citizens.

I wish to extend my deepest sympathy to the widow, Mrs. Hays, and to his son, a professor at Wabash College, Will H. Hays, Jr. I am sure that their loss is felt by the community and Nation of which he was so devoted a servant.

Mr. HARVEY. Mr. Speaker, will the gentleman yield?

Mr. BRAY. I yield.

Mr. HARVEY. I would like to join with my colleague from Indiana in paying tribute to that great American, Will Hays. He was a credit to his State and to the Nation. He served us well. I note his passing with grief and realize that we have lost a great citizen.

Mr. BRAY. I thank the gentleman.

Mr. BEAMER. Mr. Speaker, will the gentleman yield?

Mr. BRAY. I yield.

Mr. BEAMER. I would like to pay my tribute to the great Hoosier, Will Hays. I knew him well. He was a graduate of my college, Wabash College. He was very keenly interested in its welfare and in the welfare of our country. I join his friends in mourning his passing.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the RECORD or to revise and extend remarks was granted to:

Mrs. ROGERS of Massachusetts and to include extraneous matter.

Mr. YOUNGER.

Mr. PASSMAN.

Mr. YORTY (at the request of Mr. HAYS of Ohio) in four instances and to include extraneous matter.

Mr. HAYS of Ohio.

Mr. O'HARA of Illinois in five instances and to include extraneous matter.

Mr. KERSTEN of Wisconsin and to include extraneous matter.

Mr. GUBSER (at the request of Mr. HINSHAW).

ADJOURNMENT

Mr. ARENDS. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 3 o'clock and 3 minutes p. m.) the House adjourned until tomorrow, Wednesday, March 10, 1954, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1338. A letter from the President, Panama Canal Company, transmitting as background material a historical summary of Panama Canal tolls rates and a copy of the present tolls statutes, pursuant to House Report No. 889, 83d Congress; to the Committee on Appropriations.

1339. A letter from the Secretary of the Navy, transmitting a draft of legislation entitled "A bill to provide for the crediting of certain service toward retirement of Reserve personnel"; to the Committee on Armed Services.

1340. A letter from the Assistant Secretary of Defense, transmitting a draft of legislation entitled "A bill to further amend section 4 of the act of September 9, 1950, in relation to the utilization in an enlisted grade or rank in the armed services of physicians, dentists, or those in an allied specialist category"; to the Committee on Armed Services.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. CRUMPACKER: Committee on the Judiciary. H. R. 6280. A bill to extend temporarily the rights of priority of nationals of Japan and certain nationals of Germany with respect to applications for patents; without amendment (Rept. No. 1326). Referred to the Committee of the Whole House on the State of the Union.

Mr. TAYLOR: Committee on the Judiciary. House Joint Resolution 347. Joint resolution giving the consent of Congress to an agreement between the State of Alabama and the State of Florida establishing a boundary between such States; without amendment (Rept. No. 1332). Referred to the Committee of the Whole House on the State of the Union.

Mr. McCULLOCH: Committee on the Judiciary. H. R. 7786. A bill to honor veterans on the 11th day of November of each year, a day dedicated to world peace; without amendment (Rept. No. 1333). Referred to the House Calendar.

Mr. HOFFMAN of Michigan: Committee on Government Operations. Tenth intermediate report entitled "Security and Personnel Practices and Procedures of the Department of State"; without amendment (Rept. No. 1334). Referred to the Committee of the Whole House on the State of the Union.

Mr. SHAFER: Committee on Armed Services. S. 1548. An act to provide for the exchange between the United States and the Commonwealth of Puerto Rico of certain lands and interests in lands in Puerto Rico; with amendment (Rept. No. 1335). Referred to the Committee of the Whole House on the State of the Union.

Mr. SHAFER: Committee on Armed Services. S. 1827. An act to authorize the Secretary of the Army to disclaim any interest of the United States in and to certain property located in the State of Washington; without amendment (Rept. No. 1336). Referred to the Committee of the Whole House on the State of the Union.

Mr. REED of New York: Committee on Ways and Means. H. R. 8300. A bill to revise the internal revenue laws of the United States; without amendment (Rept. No. 1337). Referred to the Committee of the Whole House on the State of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. LANE: Committee on the Judiciary. H. R. 1509. A bill for the relief of Sahag Vartanian; without amendment (Rept. No. 1327). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H. R. 3008. A bill for the relief of Esther Smith; without amendment (Rept. No. 1328). Referred to the Committee of the Whole House.

Mr. FORRESTER: Committee on the Judiciary. H. R. 5933. A bill for the relief of Herschel D. Reagan; without amendment (Rept. No. 1329). Referred to the Committee of the Whole House.

Mr. JONAS of Illinois: Committee on the Judiciary. H. R. 7258. A bill for the relief of the Willmore Engineering Co.; with amendment (Rept. No. 1330). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H. R. 7753. A bill for the relief of the estate of Carlo de Luca; with amendment (Rept. No. 1331). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BAKER:

H. R. 8288. A bill to amend the Social Security Act and the Internal Revenue Code so as to extend coverage under the old-age and survivors insurance program, increase the benefits payable thereunder, preserve the insurance rights of disabled individuals, and increase the amount of earnings permitted without loss of benefits, and for other purposes; to the Committee on Ways and Means.

By Mr. BISHOP:

H. R. 8289. A bill to encourage and assist the production of strategic and critical metals, minerals, and materials in the United States, and for other purposes; to the Committee on Armed Services.

By Mrs. BUCHANAN:

H. R. 8290. A bill to offset declining employment by providing for Federal assistance to States and local governments in projects of construction, alteration, expansion, or repair of public facilities and improvements; to the Committee on Public Works.

By Mr. BUDGE:

H. R. 8291. A bill to amend the Agricultural Act of 1949 to provide a limitation on the downward adjustment of price supports for milk and butterfat and the products of milk and butterfat; to the Committee on Agriculture.

By Mr. CURTIS of Nebraska:

H. R. 8292. A bill to eliminate farm tractor fuel and certain other liquids from the manufacturers' excise tax on gasoline; to the Committee on Ways and Means.

By Mr. CURTIS of Missouri:

H. R. 8293. A bill to honor veterans on the 11th day of November of each year, a day dedicated to world peace; to the Committee on the Judiciary.

By Mr. GOODWIN:

H. R. 8294. A bill to honor veterans on the 11th day of November of each year, a day dedicated to world peace; to the Committee on the Judiciary.

By Mr. HOLT (by request):

H. R. 8295. A bill to amend the grant provisions of the Vocational Rehabilitation Act; to the Committee on Education and Labor.

By Mr. JENKINS:

H. R. 8296. A bill to honor veterans on the 11th day of November of each year, a day dedicated to world peace; to the Committee on the Judiciary.

By Mr. JONAS of North Carolina:

H. R. 8297. A bill to provide for the issuance of a special postage stamp in commemoration of the 175th anniversary of the Battle of Ramsour's Mill; to the Committee on Post Office and Civil Service.

By Mr. MARTIN of Iowa:

H. R. 8298. A bill to honor veterans on the 11th day of November of each year, a day dedicated to world peace; to the Committee on the Judiciary.

By Mr. SADLAK:

H. R. 8299. A bill to honor veterans on the 11th day of November of each year, a day dedicated to world peace; to the Committee on the Judiciary.

By Mr. REED of New York:

H. R. 8300. A bill to revise the internal revenue laws of the United States; to the Committee on Ways and Means.

By Mr. UTT:

H. R. 8301. A bill to honor veterans on the 11th day of November of each year, a day dedicated to world peace; to the Committee on the Judiciary.

By Mr. DONDERO:

H. R. 8302. A bill to extend the duration of the Water Pollution Control Act; to the Committee on Public Works.

By Mr. SMALL:

H. R. 8303. A bill to remove the limitation upon the pay and allowances of the second leader of the United States Naval Academy Band; to the Committee on Armed Services.

H. R. 8304. A bill to enable certain widows of Foreign Service officers to obtain credit for prior Government service performed by such officers, for the purpose of securing the widow's annuity provided under title VIII of the Foreign Service Act of 1946; to the Committee on Foreign Affairs.

By Mr. WATTS:

H. Con. Res. 206. Concurrent resolution extending best wishes of the Government and people of the United States to Berea College in Berea, Ky.; to the Committee on Education and Labor.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

By Mr. HART: Certified copy of resolution adopted by the Senate of the State of New Jersey requesting the dredging and improvement of Barnegat Inlet, in the county of Ocean, N. J.; to the Committee on Public Works.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. HILLELSON:

H. R. 8305. A bill for the relief of Chaplain (Maj.) James M. Stafford; to the Committee on Armed Services.

H. R. 8306. A bill to authorize the promotion of Chaplain (Maj.) James M. Stafford, United States Army Reserve, to the grade of lieutenant colonel; to the Committee on Armed Services.

By Mr. McMILLAN:

H. R. 8307. A bill for the relief of Virginia Hell; to the Committee on the Judiciary.

By Mr. MERROW:

H. R. 8308. A bill for the relief of Brede Syver Klefos; to the Committee on the Judiciary.

By Mr. ROBESON of Virginia:

H. R. 8309. A bill to confer jurisdiction upon the United States District Court for the Eastern District of Virginia; to the Committee on the Judiciary.

By Mr. SMALL:

H. R. 8310. A bill for the relief of Mr. and Mrs. Gordon C. Brown, Sr. (in behalf of the minor child Robert Gordon Brown); to the Committee on the Judiciary.

EXTENSIONS OF REMARKS

Need for a Strong Merchant Marine

EXTENSION OF REMARKS

OF

HON. SAMUEL W. YORTY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 9, 1954

Mr. YORTY. Mr. Speaker, for nearly 20 years it has been our declared national policy, as stated in the Merchant Marine Act of 1936, to develop and maintain an adequate and well-balanced American merchant marine. A strong merchant marine is there recognized as essential to aid in the defense of our country as well as to promote the interests of our foreign and domestic commerce.

When World War II came upon us there had been little time to carry out the provisions and objectives of the 1936 act. Consequently, we were forced to initiate a large-scale building program under conditions of great urgency, as had previously been done also in World War I. Economy, good design, and high standards were for the most part necessarily sacrificed to immediate need.

It might be expected that this recent experience would have made us thoroughly alert to the indispensability of maintaining at all times a strong merchant marine as an essential nucleus of our security requirements. Yet the unfortunate truth is that the position of our merchant marine is even now seriously threatened and is deteriorating in several important respects. American ship operators and shipbuilders are finding it increasingly difficult to meet foreign competition with its much lower wage and other costs. Our governmental program of extending differential subsidies to equalize costs is inadequate and spasmodic. United States shipyards operate at a low ebb, with few orders on the books and none coming in.

The most competent authorities regard our present merchant fleet as poorly balanced in its composition. Since most of the ships were built during World War II their age distribution is bad; many are already obsolete and others will soon become overage in a concentrated group. There is a serious deficiency of fast passenger ships which could serve as troop carriers, as we have no tankers in emergency reserve, and the inactive reserve of cargo vessels consists almost wholly of the slow and inefficient war-built Liberty ships.

It is abundantly evident, then, that we have no reason to be complacent about the condition and prospects of our highly essential American merchant marine. To the contrary, we must commit ourselves anew to a continuous and stable program and resolutely carry it through.

Retirement of a Great Soldier

EXTENSION OF REMARKS

OF

HON. BARRATT O'HARA

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 9, 1954

Mr. O'HARA of Illinois. Mr. Speaker, I am voicing, I am sure, the sentiment of my colleagues in the Congress of the United States in joining in the honors and well wishes that were showered on Maj. Gen. George F. Ferry at a dinner last night in the Northwest Armory in the city of Chicago. The guests at that memorable dinner, attended by 400 officers and friends, included Lt. Gens. William B. Kean, Samuel T. Lawton, and Richard Smykal; Maj. Gens. Harry L. Bolen, Robert E. Moffat, and Roy D. Keehn, Jr., and Brig. Gens. Ernest N. Bauman, Richard L. Jones, Julius Klein, William Newhall, Otto McBride, and Otto Kerner, Jr.

Tomorrow, Maj. Gen. Ferry is retiring, with the rank of lieutenant general, as commander of the National Guard of Illinois. Under his leadership the Illinois guard has attained the highest rating in its illustrious history. It has meant much to the members of the guard and the people of Illinois that the great soldier, retiring tomorrow with the highest of honors and the warm affection of his fellow-soldiers and fellow-citizens, joined the guard 35 years ago as a private. By industry, devotion to duty, and the genius of military leadership he attained position of supreme command. In World War II the zone of his service was the Pacific. In 1946 he became chief of staff of the 33d Division.

Illinois forever will remember on the roll of great generals she has given the Nation the name of George F. Ferry. It is fitting that this distinguished body should note his great service to our country. For my colleagues and myself I extend best wishes always to General Ferry and his charming wife.

Military Fringe Benefits and Veterans' Programs a Sound Investment

EXTENSION OF REMARKS

OF

HON. SAMUEL W. YORTY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 9, 1954

Mr. PORTY. Mr. Speaker, short-sighted fiscal programs, confused policies, selfishly inspired propaganda, and apathy toward the problems of service personnel have created a serious manpower problem for all the services. There is a direct relationship between the morale of service personnel and their desire to remain in service after the expiration of their enlistment, or termination of an officer's tour of duty. Readily available statistics are far from encouraging because they clearly indicate a critical trend away from career service.

The Assistant Secretary of Defense for Manpower and Personnel in a radio address several days ago stated that we are having a 60 percent turnover in service personnel. Hanson W. Baldwin in a recent article in the Saturday Evening Post observed that only about 6 percent of the United States Navy's new ensigns are graduates of the Naval Academy, while the percentage of the Military Academy graduates is even less. Both officer and enlisted ranks are being depleted at a dangerous rate. Our national security is being jeopardized by the failure of the services to retain qualified and competent personnel in the various ranks, branches, and specialties. Our military budget is greatly increased by the recurrent expense of training so many men, especially technicians, who thereafter decide not to stay in the service. The Government's investment in a jet pilot averages $50,000. With the regularly increasing complexity of all phases of modern warfare, and its consequent specializations, there is urgent need to make military careers sufficiently attractive to cause our trained personnel to stay in the service.

The Armed Forces are frequently in direct competition with industry and private employment. In many instances the attractions of higher pay and freedom from constant change of duty station are compelling factors in favor of private industry. An Air Force captain receives about half the salary of a commercial airline pilot who flies no combat